

## President may return to White House next week

President Reagan was up and walking in his hospital room yesterday and his doctors said he might return to the White House next week. Mr James Brady, his Press Secretary, was still critical but improving. Investigators said the gunman may have tried to kill the President to attract the attention of Jodie Foster, the film star.

## Up and walking in hospital room

From Patrick Brogan  
Washington, April 1

President Reagan's doctors reported this morning that his condition "continued to improve as well as can be expected". They said the President was moved from the intensive care unit to a surgical ward on Tuesday evening. The morning bulletin went on to say that Mr Reagan was experiencing some pain and fatigue, that he slept well, and was up and walking in the morning.

A member of his staff said the President might return to the White House next week. Reuter reports from Washington that the Government of the United States is now functioning as normally as possible. Mr George Bush, the Vice-President, has taken over the ceremonial duties of the President's office, making frequent public appearances in Washington, presiding over meetings of officials and conferring with Congressional leaders.

Everyone's intention is to demonstrate that business continues as usual, and to reassure the public and the watching world that the President will soon be back in complete control. He is being informed of all developments and will take whatever essential decisions present themselves.

Mr Reagan continues to show great grace under strain. He makes jokes all the time, devotes himself to quieting other people's fears and demonstrates also, because of his extraordinary physical resilience, that his wound will have no lasting effect upon him. Senator Howard Baker, majority leader, thinks that the episode will increase the President's popularity, which was waning because of his budget cuts. On the other hand, the Senator does not believe that sympathy for his narrow escape will help Mr Reagan's legislative programme through Congress.

In the long term, the President is likely to be even more popular, he said. "That is a result of his humour and the way he handles himself. But I do not think it is likely to have any legislative impact."

Senator Paul Laxton, the President's closest friend in the Senate, put it succinctly: "Sympathy is a short-term commodity on Capitol Hill."

Mr Reagan's staff insist that the drive to get the budget through Congress will go full steam ahead. One of them said: "We will have to sell the product now, not the man." Since Mr Reagan is by far the most persuasive member of the Government when it comes to winning support for the new economic policies, he intended to spend a great deal of time

on the road in the coming weeks. He was to have addressed sessions of three state legislatures, starting with Illinois today, and these events have been cancelled. For the moment, the thought better that he be seen to replace the President in these ceremonial functions, to keep the flag flying in the most conspicuous place, the capital.

There will therefore be something of an hiatus to the President's legislative programme. Mr James Brady, the President's Press Secretary, who was hit in the head, is still in critical condition. This morning's bulletin states that his condition continues to improve, that he is able to speak, that he can move his left arm and leg and may be able to sit up in bed in a few days.

The bulletin goes on: "Physicians continue to be cautiously optimistic as Mr Brady's neurological condition continues to improve." The other two men wounded, a Secret Service man and a Washington policeman, are both out of danger and their condition is improving.

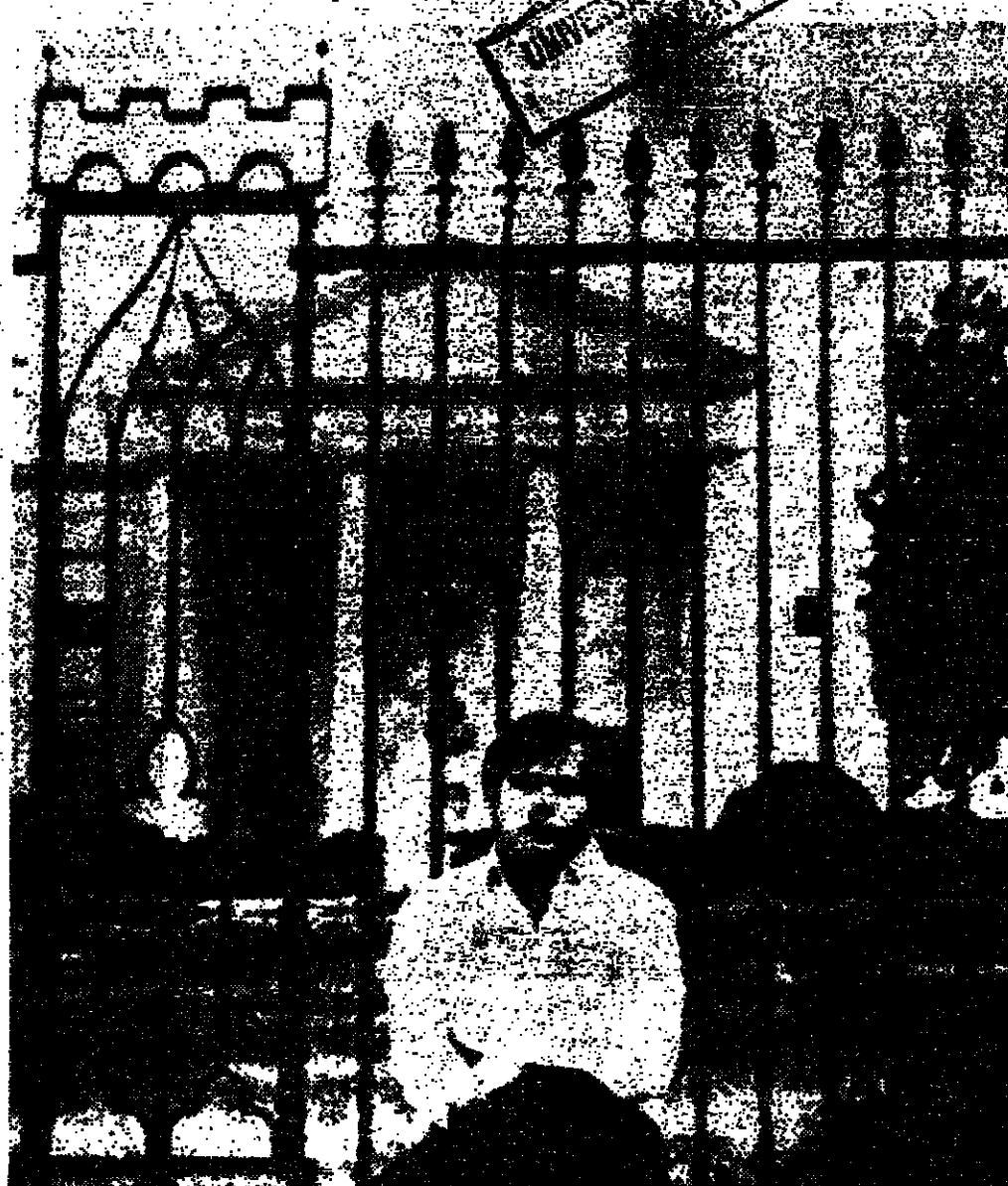
The question of Mr Alexander Haig's behaviour on Monday afternoon continues to trouble many. White House officials are making a concerted public effort to demonstrate that the Secretary of State behaved perfectly properly and retaining their full confidence. Off the record, some other officials are more critical.

When he heard that the President had been shot, Mr Haig rushed to the White House and "took charge" in the Situation room, where he was the last man to see the President. He was then taken to the Cabinet. When the question arose whether the armed forces had been put on the alert, Mr Haig went up to the Situation room and delivered a speech there.

The letter was not mailed, but Miss Foster is said to have received a number of earlier letters from Mr Hinckley. The actress, who is now staying at Yale University, issued a statement last night saying that she had "never met, spoken to, or associated with" the accused man.

According to some federal law enforcement sources, one of the letters she received from Mr Hinckley allegedly told of plans to kill the President.

Brady profile, page 7



John Hinckley outside the White House. The American news agency UPI said it could give no information about how it obtained the photograph and would not say why.

## Obsession for actress may have been motive for shooting

From David Cross  
Washington, April 1

John Hinckley, the 25-year-old drifter from a well-off family who shot at President Reagan, was today undergoing psychiatric tests at an isolated Marine Corps base 30 miles south of Washington.

Law enforcement officials believe that they may already have found the motive for his alleged attempt on the President's life; but they are trying not to jump to any wrong conclusions. According to the officials, Mr Hinckley, who is described by his investigators as an extremely troubled man, has a fixation for a young film star and may have tried to kill the President to attract her attention.

A two-page letter written by Mr Hinckley and found in his hotel room in Washington after the shooting states that the author will prove his love for Miss Jodie Foster, the 18-year-old star of the film *Taxi Driver* through an "historic act". According to today's Washington Post the letter concluded: "It's 12:30 now, one hour before I go to the Hilton".

The shots were fired at President Reagan when he emerged from the Washington Hilton hotel at 2:30 pm on Monday after he had delivered a speech there. The letter was not mailed, but Miss Foster is said to have received a number of earlier letters from Mr Hinckley.

The actress, who is now staying at Yale University, issued a statement last night saying that she had "never met, spoken to, or associated with" the accused man.

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It has not escaped the attention of law enforcement officers here that in the 1975 film *Taxi Driver* Miss Foster played a young runaway who ended up as a prostitute in New York and befriended a lonely, mentally unstable taxi driver played by Mr Robert De Niro.

For much of the film, the taxi driver stalked a political candidate and was preparing to kill him before being scared off by a security agent.

When law enforcement officials visited the hotel, they were reported to have found in addition to the letter addressed to Miss Foster, a receipt for the purchase of a 38 calibre handgun and a newspaper clipping listing Mr Reagan's schedule for Monday.

Today's psychiatric tests on Mr Hinckley were ordered by a magistrate yesterday to determine his mental competence. He is due to appear in a federal court in Washington tomorrow to be formally arraigned on

## 300,000 civil servants in lightning strikes

By Paul Routledge  
Labour Editor

Union leaders of more than a quarter of a million civil servants who walked out on brief protest strikes last night promised to "fight as long as it takes" to force the Government to change its pay restraint policy in the public sector.

Lightning stoppages affected most parts of the country as civil servants asserted their right to strike. The Government on the day that their new salary settlement was due to take effect, and the campaign of selective, indefinite strikes was intensified.

Key communications technicians at a top secret station in the Government's composite signals organisation in Somerset are being called out from 10 pm tomorrow after 48 hours' control. In Manchester, the Government's secret communications centre in the Midlands, "Further communications stations will be brought out as part of a continuing protest by the Council of Civil Service Unions."

Thirty Customs and Excise officers in the evening duty control unit in Manchester yesterday joined the selective strikes. Their action is likely to affect the weekly collection of 14m betting duty, a figure that will increase now the flat centred betting duty is introduced.

The unions said they had no further betting duty forms would be issued to bookmakers for the recording of betting duty. At the same time, the control unit in Rochester, Kent, Whitehall, union officials estimated that nearly 300,000 government employees had walked out on the anniversary date of their pay agreement. In protest, the Government has offered a pay offer and the suspension of the pay research system of salary determination.

The walkout came in places as far apart as Farnham and Dorset. There was a "peace-keeping" rule by security officers at the government communications headquarters at Cheltenham and 500 Department of Environment civil servants in Belfast walked out on a government minister arrived on a visit.

At Heathrow airport, London, customs staff stopped work for an hour after the suspension of 49 Inland Revenue officers in a north London office, and 65 staff at the Inland Revenue office in Edinburgh came out on strike.

At a rally in Temple Gardens, Richmond, Surrey, 5,000 civil servants on strike in the capital, Mr Alan Williams, MP, shadow minister for the Civil Service, said that the Prime Minister, desperately needed a victory over the civil servants after his recent panic-stricken capitulation to the miners.

There were other strikes in Norwich, Birmingham, Durham and Liverpool. In Newcastle-upon-Tyne most of the staff at the Department of Health and Social Security national insurance office walked out and there was a near-total stoppage at the vehicle licensing centre in Swansea.

Strikers' claim, page 2  
NEDC boycott, page 2

## Iran drops Pyke spying charges

The Iranian Government has told Britain that it has dropped spying charges against Mr Andrew Pyke, the British businessman held in Tehran for several months, and that they will go ahead with charges relating to the financial affairs of his company.

## West puts together money and food aid deal for Poland

By Our Foreign Staff

A huge injection of aid for Poland, both food and financial, was assembled in Western capitals yesterday.

In London senior banking sources indicated that agreement on reorganising payment of Poland's debts to Western banks and governments, and on the provision of new loans, could be reached by the end of this month - well ahead of the early summer target.

After two days of talks between a group of Western banks and Polish officials, an American banker said: "I feel very positive about this. There will be an agreement."

Poland has requested the banks of its determination to pay off the \$24,000m (£10,762m) it owes the West, \$7,500m of which is due for repayment this year.

Mr Jay Woloszyn, deputy chairman of Poland's foreign trade, bank, Handlowy, said: "We have been committed since we contracted these loans. We will certainly repay them."

Both sides meet again in London soon and it is understood that Poland has not changed its request for the \$3,100m repayment due this year to be rescheduled and for \$1,000m to be provided as a bridging loan. The agreement with the banks will parallel agreement between the Western and Polish governments on the \$4,000m due in repayments of official loans and export credits.

The governments are to meet in Paris on April 6 - which is when the bankers conclude their discussions. France and Germany have already made it clear that they are prepared to accept the plan.

At the heart of all these negotiations is the plan for stability the Poles have put to the West, an important aspect of which is that Poland does not appear to be relying on foreign assistance from the Soviet Union.

Last year the Russians made loans of about \$1,000m to Poland, although they were partly to help with other debts incurred by the country. Further assistance is not expected in the near future.

As for the \$1,000m bridging loan from the West, Poland is bereft of foreign exchange and needs some temporary help in repaying debts, over \$1.5 billion, scheduled before its economy

recovers sufficiently for exports to resume.

The strengthening of the dollar is working in Poland's favour. About 40 per cent of the country's foreign debt is denominated in dollars. As the dollar rises against the currencies in which the remainder is denominated, payment from dollar earnings becomes easier.

In Brussels a supply of 547,000 tonnes of foodstuffs to Poland as a specially reduced price was proposed by the European Commission. Approval from the Community's Foreign Ministers is expected later this month.

It is estimated that the food would cost about \$120m. It bought on the world market at current prices the European Commission would give a 15 per cent discount and there will be loans from the EEC to cover the rest of the cost.

The food consists of 200,000 tonnes of wheat, 25,000 tonnes of barley, 25,000 tonnes of rye, 30,000 tonnes of butter, 5,000 tonnes of cheese, 30,000 tonnes of milk powder, 30,000 tonnes of sugar, 20,000 tonnes of rapeseed. The French Cabinet decided yesterday to export 14,500 tonnes of wheat to Poland as a short notice.

Mr Guy Spanghin, said that the aid would increase her bilateral aid to Poland and would rapidly replace the aid of West Germany, which has been cut off since the end of the year.

Earlier, Chancellor Helmut Schmidt told the Bundestag that the help is not merely a moral gesture, but a recognition of the fact that West Germany has a vital political interest in seeing that Poland does not collapse.

Mr Schmidt said the first food rationing of its kind since just after the Second World War was operating in Poland. Yesterday and meat was the food.

There seemed to be a far selection and quantity. Some of which had not been seen by the Poles for months. The rationing was introduced at the insistence of Solidarity.

The queues for hours, the panic buying, hoarding and speculation which had disrupted the country's retail meat trade in recent months were markedly absent in Warsaw, Reuter.

Solidarity clashes, page 7  
Leading article, page 15

## Tory revolt on phone tap powers is tamed

By Hugh Nix

Parliamentary Correspondent  
Westminster

The threatened revolt by more than 40 Conservative MPs over the Government's refusal to accept a new clause on interception of mail, which was later rejected by 284 votes to 224.

Mr William Whitelaw, the Home Secretary, after seeing members of the 100-person anti-war committee, the Committee for the Abolition of the House of Lords, at the report stage of the British Telecommunications Bill, urging that the various amendments and new clauses proposed be rejected.

On the basis that the Home Secretary had issued only 463 amendments for tabling in the past year, that amounted to an average of about four per cent of the total. He also asked the House to remove from the

bill the clause inserted by the rebels during the committee stage.

The debate opened in true James Bond style with Mr Ian Macleod, Labour MP for Tower Hamlets, Technical Group, and a member of the anti-war committee, moving a new clause relating to the interception of mail, which was later rejected by 284 votes to 224.

With a head-bite of arithmetic, he calculated that there were more than 100 persons entitled to the telephone tapping installation organisation.

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## 'No tax cuts' unless spending is curbed

Unless public spending is reduced, there is little prospect of any tax cuts before the next general election the London Business School predicts. In a paper, the Commons Treasury Select Committee, the school forecasts that public borrowing in the coming financial year will be £12,500m, £2,000m more than the Budget target. This will dash ministerial hopes of giving away £2,000m in tax cuts.

## Farm price pact near

Agriculture ministers appeared to be nearing agreement on an increase of about 10 per cent - the highest recently in support prices paid to the EEC's eight million farmers. Protesting farmers besieged the entrance of the building in which the ministers met.

## Sex shops under fire

Moves initiated by local council and community leaders to control the spread of sex shops in Soho, London, received the support of the Home Secretary. It is intended to introduce legislation this year. Available penalties would also be increased sharply.

## Liverpool's trophy

Liverpool won the Football League Cup for the first time in the replay of the final at Villa Park with a 2-1 win against West Ham. Liverpool replied to a Goddard goal with one from Dalglish and a goal deflected off Bonds.

## England draw Test

An unbeaten 104 by Boycott and 83 by Toth enabled England to draw the fourth test match against West Indies. England, who were 197 runs behind on the first innings, were 234 for three at close of play.

## Robert Redford film wins four Oscars

Robert De Niro and Sissy Spacek won the Hollywood Oscars for best actor and actress for their roles in *Raging Bull* and *Coal Miner's Daughter*. Four awards went to one film, *Ordinary People*, including one for Redford, who directed the film. President Reagan watched the coverage on television in hospital.

## MPs attack Moonies

Almost 100 MPs of all parties called on the Government to end the charitable status of the Unification Church, whose members are known as Moonies. A High Court judge recommended on Tuesday that the tax-free status should be reviewed because the church was "a political organisation".

## Boundary 'upheaval'

MPs of both main parties have protested about the "upheaval" of proposed constituency boundary changes for the West Midlands. Traditional Labour constituency names in Birmingham such as Handsworth, Ladywood, Selly Oak and Sparkhill, the latter the seat of Mr Roy Hattersley, shadow Home Secretary, would disappear.

Labour policy: Backbenchers rejected by large majority a proposal that they should be bound by manifesto commitments and conference decisions.

Party switch: London University professor has become the first leading Liberal to transfer his allegiance to the Social Democrats.

South Lebanon: Major Huddad gives UN force an ultimatum.

Classified advertisements: Personal, pages 26, 28; La crème de la crème, 26; Recruitment opportunities, 25.

Home News	2-4, 6	Business	18-24	Law Report	15, 29	Sport	22, 13
Overseas News	6-8	Church	16	Obituary	16	TV & Radio	22
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## Papal infallibility 'not absolute barrier'

A leading Roman Catholic expert in ecumenical relations said that disagreement on the issue of papal infallibility may not be a barrier to reunion with the Church of England. Mrs Alan Clark, Bishop of East Anglia, said that sufficient agreement for reconciliation already existed; the outstanding differences were of secondary importance.

Leader, page 15  
Letters: On episcopal appointments, from Canon Paul Oestreicher, and others; economy, four pages; from Professor R. C. Stapleton, and Mr Peter Bottomley, MP; Beverley Minister, from Mr D. P. Crease.

Leading articles: Continuing in the Middle East; Polish debts; Moonies.

Features, pages 9, 14  
Anthony Lewis on the psychology of the lonely assassin; Bernard Levin on men and the computer; The Times Cook.

Arts, page 11  
John Fervill interviews Sir Robert Helpmann, whose ballet *Hamlet* is revived at Covent Garden tonight.

Sport, pages 12, 13  
Motor racing: John Rhodes on what made Sterling Moss come back; Golf: John Hanley previews the Greater Greensboro Open; Rugby League: Carlisle's application accepted; Football: Preview of United States season.

Obituary, page 16  
Dr Kenneth Borgia, Professor Lily Newton, Mr Douglas Lowe.

Books, page 17  
Reviews of *Testis* and *The Andromeda Strain*; *Policy* between the two *World Wars* by Norman F. Swettenham.

Stock markets: Equities advanced on the back of the Chancellor's recent remarks on economic recovery. Gilt moved slightly ahead. The FT Index closed 17 up at 529.3.

Financial Editor: Robson's choice for the bank.

Business features: David Hewson looks at the problems encountered by West Indian and Asian businessmen in the East End of London; David Blake on monetary policy; Ross Davies's Business Diary.



Rivals for power: General Prem, the Prime Minister (left), and the leader of the coup against him, General Sant.

## Thai general's coup falters as King quits Bangkok

From David Warr  
Bangkok, April 1

By last evening Thailand's April Fool's Day joke was rapidly becoming a joke. Less than 24 hours after seizing power from General Prem Tinsulanonda's coalition the Revolutionary Council still held few of the cards that mattered.

With King Bhumibol Adulyadej and Queen Sirikit under General Prem's protection at an army headquarters in the north-east of the country, the vital blessing of the monarch for a new government was denied to the coup leaders.

The Royal Family had defied the capital to avoid endorsing the coup.

General Prem, holding on to the title of Prime Minister, still claimed the majority support of the Army, the Air Force and the Navy. A broadcast on a Korat television station he told the coup leaders that if

they surrendered promptly, "I'll not punish you."

General Sant, previously deputy chief-of-staff of the Army, had one key possession of the country's principal radio station in Bangkok. That apart, he had little with which to combat any attempt by General Prem to regain control in the capital having limited numbers of troops at his disposal.

Bangkok awoke this morning to find itself under the control of a Revolutionary Council. Few were surprised at the coup.

It was merely a question of when the move would be made. In the event, though, the coup was nominally led by General Sant, an old classmate of General Prem's at military college and, until now, a close friend.

How coup was staged, page 7

# Fast asleep

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# Proposed constituency changes upset MPs

By Fred Emery  
Political Editor

Proposed constituency boundary changes published today for the West Midlands, affecting Birmingham and other cities, have provoked protests from MPs of both main parties, led by Mr Roy Hattersley, shadow Home Secretary, whose Sparkbrook constituency disappears.

However, at local level Labour seems to have done better than expected.

Mrs Freda Westwood, the Labour Party's West Midlands regional organizer, last night reckoned that Labour could expect to win seven seats in the region, including adjoining shire counties.

In Birmingham, although new wards reduced the number of seats, she reckoned that Labour might get nine of the 12 seats, compared with seven of the present 13.

A West Midlands Conservative spokesman rejected the Labour claim. The changes are extremely complicated, assessing the full effect will be a long process," he said.

"It is difficult to make a spontaneous assessment, but for the West Midlands as a whole the Conservative Party should benefit from the changes."

Mr Hattersley's complaint is not with the political balance, which he said his friends think might be unaffected. It is what he calls the "upheaval" wrought by the Boundary Commission in virtually every Birmingham constituency, leading to the disappearance of such traditional Labour names as Handsworth, Ladywood, Stechford, as well as Sparkbrook.

Mrs Jill Knight's Conservative seat at Edgbaston looks to be the least affected.

Mr Hattersley complained that the Boundary Commission seemed to have adopted "a system which in no way recognizes the need for continuity of representation." He added: "It seems to be based more on a random scheme than on history and the existing communities."

He said he was sure there was a more equitable way of drawing boundaries that would be fair both to the people of Birmingham and their representatives.

Other political observers reflecting on what they called "this incredible shake-up" said that there was no way of knowing which Labour MPs would get selected for which seats.

Labour frontbenchers also involved in Mr Denis Howell (Small Heath), Mr Jeffrey

Rooker (Perry Barr) and Mr Terence Davis (Stechford).

The commission's recommendations are provisional and, if there are representations by an interested local authority, or 100 or more electors, are subject to a local inquiry before being put in final form to the Home Secretary.

The deadline for representations on the changes proposed in the West Midlands Metropolitan Borough is May 15.

That variation in the proposed electorates is also complained of. The Boundary Commission works to an electoral quota of 65,733; but the proposals range from 76,721 (Edgbaston) to 53,413 (Northfield).

Three new constituency names proposed are Aston, Hodge Hill and Moseley.

In changes proposed for the Metropolitan Borough of Tyne and Wear, the constituency of Gateshead, West, held by Mr John Horam, a Social Democrat, disappears and a new constituency with the arresting name of Washington BC appears.

Other constituencies to disappear in the proposal are Newcastle upon Tyne, West, and both Sunderland, North and South, with two replacements in Tyne Bridge and Sunderland Central.

# Minister favours sex shop control

By Christopher Warman  
Local Government Correspondent

Mr William Whitelaw, Home Secretary, gave his support yesterday to moves initiated by local authority and community leaders to control the spread of sex shops in Soho and other areas of central London.

It is intended to introduce legislation later this year. The legislation will bring in a licensing system for sex shops, make it easier to trace the owners, and increase the penalties for infringement of licensing and planning laws.

After a meeting with Mr Whitelaw and other ministers, Sir Horace Cutler, leader of a delegation, said it had been fruitful and that there had been an accord on the need to act.

Sir Horace was accompanied to the meeting by leaders of Westminster City Council, the Soho Society, residents' organizations, and local MPs.

Mr John Wheeler, Conservative MP for City of Westminster, Paddington, said Mr Whitelaw had said he would give every encouragement to the planning and licensing laws to demand a stop to the proliferation of sex shops.

There are now 163 such shops in Soho.

Sir Horace emphasized that they were concerned with the environmental impact, not the moral issue. "We are not looking beyond the front door, but at what is happening in the street, which many people find offensive. We want to make the streets of Soho like ordinary shopping streets."

The request for licensing sex shops will, it is hoped, be included in the Greater London Council's submission in the autumn under its annual general powers Bill. The request



A passer-by examining the wares in Soho.

must come initially from Westminster City Council and, if it becomes law, Westminster will operate it.

On planning and enforcement, the group wants measures giving the local council the right of access to the Land Registry in order to identify the owners of shops.

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# Computer staff claim success in role of militant strikers

From David Felton  
Labour Reporter

Two large government tax computers stand idle while outside the PAYE accounts office in windswept Shipley, near Bradford, young civil servants mount a 24-hour picket in an attempt to block moves by the Inland Revenue to circumvent their strike, now in its third week.

When the 500 staff at the computer centre were called out on strike along with colleagues at the PAYE computers in Cumberland, near Glasgow, it was widely thought that the Civil Service unions were playing their trump card.

The union's aim is to curtail the Government's ability to collect revenues as the strikers were yesterday claiming that their action had been a success.

Miss Elizabeth Symons, assistant secretary of the Inland Revenue Staff Federation (IRSF) who is coordinating the Shipley strike, said union figures show that the Government banked only £300m

last week out of expected national insurance and income tax payments of £1,300m.

In the Commons earlier Mr Leon Brittan, chief secretary to the Treasury, said that in the first two weeks of the action the shortfall in tax revenues had been between £500m and £750m.

The Shipley strikers, most of whom are aged less than 25, are unaccustomed to the role of militants taking on the Government in what they regard as a political challenge.

When it became clear that the government decision last year to suspend the pay research exercise was likely to lead to a national dispute by Britain's 540,000 white-collar civil servants, the traditionally moderate IRSF started laying the groundwork to ensure that its members would respond when the strike call came.

That paid dividends for the union because the votes at Shipley and Cumberland were higher than the national 8 to 11 vote in favour of industrial action.

# Mr Gormley on when he prefers Tories

From Our Labour Staff

Mr Joseph Gormley, president of the National Union of Mineworkers, said yesterday that he had found it easier to talk to Conservative ministers than to their counterparts in previous Labour governments.

Mr Gormley, in a speech to the Electrical Power Engineers Association at York, in which he appeared to go out of his way to put himself at a distance from left-wingers in the NUM, particularly singled out Mr Wedgwood Benn for criticism.

He told the conference that sometimes he had felt it was better to talk to Tory ministers than to Mr Benn. He said that Mr Benn had been slow in formulating a policy on pit closures when he was Energy Minister.

He believed that unions had a duty to try to bring about changes in Government policies; but said it should not be their aim to work for the Administration's downfall.

# PLP refuses to be bound by manifesto or conference

By Our Political Reporter

Labour backbenchers yesterday rejected by a massive majority a proposal that they should be bound by all commitments in the general election manifesto and policy decisions taken at the annual party conference.

The proposal, put forward by two left-wingers, Mr William McKelvey, MP for Kilmarock, and Mr Ernest Ross, MP for Dundee, West, was debated at a special meeting of the Parliamentary Labour Party.

Mr Ross argued that Labour

MPs should be seeking to implement party policy and criticized former colleagues, now members of the SDP, who had argued against party policy on specific issues.

But other speakers, including Mr Michael Foot, leader of the party, were overwhelmingly against the proposal. Mr Foot gave warning that to accept it would bring back continuous crisis in the party. He said that MPs had to reflect the party but at the same time they had to exercise discretion.

Mr Eric Heffer, a leading left-winger on the party's national executive, also spoke against the proposal.

He said he had been opposed to the proposal since the Labour Party was a democratic party, not a communist party, and he accepted that MPs could not be bound to accept all party conference decisions.

Mr Denis Howell, a leading moderate, said the proposal was really a "sign of the pledge" and "this sort of attitude ought to be condemned."

# Industrialists call on companies to back PR reform

By Our Political Editor

In another attempt to curb business pressures on politicians for the introduction of proportional representation, six leading industrialists yesterday sent out a pamphlet to companies throughout the country appealing for support and funds.

The pamphlet, "Statement of the views of the industrialists on the introduction of proportional representation," was written by Mr Roy Jenkins, the joint-leader of the Social Democrats, and conceded that electoral reform was not a panacea. It went on: "But it is the fastest way to the road to recovery, political and economic health. It would reduce polarization, because 'Pledge' would be more representative of the electorate and of the country as a whole, and therefore not tied to, nor identified with, one side of the other of industry."

The statement's authors are: Viscount Cleeve, chairman, Delra Metal; Lord Carr of Hadley, chairman, Prudential Assurance; Mr Alexander Jarratt, chairman, Reed International; Mr Joseph Reed, chairman, Rank; Mr McDougall, Sir Leslie Smith, chairman, BOC International; and Sir Graham Wilkins, chairman, Beecham Group.

The pamphlet, "Why industry needs electoral reform now" was put out by the National Committee for Electoral Reform

which Lord Carr is a vice-chairman. It maintains that in no other important industrial country has there been such "chronic instability" in politics as in Britain, and that the damage done by all this chopping and changing has been incalculable.

The authors said they were not attacking the general direction of the Government's policies. Rather they wished to explore how greater stability could be achieved and to them PR was the "major factor."

The present winner-take-all system of election "frequently produces drastic and exaggerated changes in policy at intervals which are far too short to enable industry to plan and operate efficiently. There is a basic mismatch between the long time scale necessary for investment and development in complex modern industry and the 180-degree reversals of policy which occur at relatively short intervals."

It went on: "Steel is an excellent example. It has been reduced through lack of coherent long-term management and investment policies to a shambles."

It is time, we asked something of the politicians. We ask them to put the country's long-term interests first and implement a reform which would be welcomed by a majority of the British people."

# Opposition pledge to review PO split-up

By Donald Maclean  
Labour Reporter

The next Labour Government would hold talks with the post office unions about radical changes to postal communications, Bill Mr Stanley Orme, Opposition spokesman on industry, said yesterday.

Mr Orme promised a rally of more than 1,000 postal and telecommunications workers protesting at the Bill that would immediately review its erosion of the state monopoly and licences granted to the private sector for new or alternative services.

He said the split-up of Central Hall, Westminster, that under Labour "You will have a government committed to the success of the public sector, and not to its failure."

The rally, held last night, was the latest move by the main unions to increase pressure on the Government to modify the Bill, which legally splits the Post Office and ends its monopoly in some fields.

Mr Roger Smeley, general secretary of the Post Office Engineering Union, said the Bill does nothing to improve communications services or cut waiting lists. By "breaking the monopoly" and taking money out of the public sector, the Government would ensure that "rural areas will suffer and customers will be forced to pay additional costs as city services are 'cream' off by privatisation."

Mr Smeley said telecommunications manufacturing industry would be damaged by opening the way to foreign competition without reciprocal agreements with overseas countries.

That, he said, would be the effect of Tuesday's decision to allow the private sector to bid for contracts to maintain digital PABX advanced switchboard systems. "IBM are poised to step through the open door,"

# Secrecy on phone taps essential to operation

Continued from page 1

Mr. Mikard, that industrialists and those people who have long been concerned about the Home Secretary's policy on telephone tapping, which the Home Secretary knew nothing. This country, he suggested, was beginning to have some of the characteristics of a police state.

Mr. Whitelaw told the House that his case for not maintaining the controls in statute rested on two simple but vitally important propositions. The first was that if interception was to be effective it must be carried out in secret. The second was that the judicial process, by its nature, was an open process.

Clearly, the Home Secretary said, a suspected bank robber, drug smuggler or spy should not know that his calls or his phone was being intercepted at the time, but it was equally important that the information which provided the case for interception should be kept secret, and subsequently checked to ensure that the procedures and safeguards in the White Paper were being observed.

He had complete access to all the secret material submitted to the Home Secretary, and completed access to look at any case he wanted to win or lose. He was in this way, the Home Secretary said, the public were protected against unjustified interception and the information against revenge.

Parliamentary report, page 10



# Union move to reverse Wembley decision

By Paul Roudledge  
Labour Editor

Grassroots support for a reversal of the Wembley Labour Party conference decision on who should elect the leader has emerged in the third largest affiliate, the General and Municipal Workers' Union.

Branches in mid-Cheshire and Sheffield have tabled motions for the union's policy-making conference, calling for an electoral college giving the largest say in the choice of party leader to Labour MPs.

Cheshire's branch, which has a 650,000 block vote at the party conference, should uphold the Wembley decision.

The block vote itself comes under criticism from a Brighton branch, which has tabled a motion arguing that the system is "fundamentally undemocratic."

Another motion calls for more branch consultation before any decision is taken on who should be Labour's leader.

The Wembley formula, now under fire from a number of right-wing and moderate unions, gave the unions 40 per cent of the votes in a new electoral college, leaving MPs and the local parties to share equally in the remainder.

But another branch based in Leigh, Lancashire, argues that the union, which has a 650,000 block vote at the party conference, should uphold the Wembley decision.

The block vote itself comes under criticism from a Brighton branch, which has tabled a motion arguing that the system is "fundamentally undemocratic."

Another motion calls for more branch consultation before any decision is taken on who should be Labour's leader.

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# Police reply to gibe from French

From Peter Evans  
Home Affairs Correspondent

Disclosure of a dispute between the French police union and the Police Federation of England and Wales, reported in *The Times*, led to accusations yesterday in Belfast by the British being "political interference."

The dispute is over an address by a representative of the French union at a rally organized by the Anti-Nazi League in London.

Mr Basil Griffiths, vice-chairman of the Police Federation, retorted that the French had spoken in support of a body that vilified the British policemen. The exchanges were at a private meeting of the Board of the European Association of Police Federations. One of the delegates, speaking of the Anglo-French exchanges, talked of a "bloody almighty row" between the two bodies.

Mr Griffiths last night said: "Our attention has been drawn to the articles of the European Association which prevented it from indulging in sectional politics. We applaud this position and will do all in our power to maintain it." He said he was concerned there was nothing more to say.

Herr Helmut Schirf, president of the European Association, said the French were very sensitive about any possibility of the return of fascism or Nazism and took every opportunity to draw attention to the threat. Under a dictatorship they believed the police would be used and abused.

There are also differences over ways of combating terrorism.

# Weather forecast and recordings

NOON TODAY Pressure is shown in millibars. Frost, Wind, Cloud, Rain, Sun, Moon, etc.

Today

Sun rises: 5.34 am. Sets: 7.35 pm.

Moon rises: 5.45 am. Sets: 4.25 pm.

New Moon: April 4.

Lighting up: 3.05 pm to 6.02 am.

High Water: London Bridge, 12.15 am, 6.15 pm, 6.50 am, 12.30 pm, 6.55 pm, 12.35 pm, 7.00 pm, 12.40 pm, 7.05 pm, 12.45 pm, 7.10 pm, 12.50 pm, 7.15 pm, 1.00 am, 7.20 pm, 1.05 am, 7.25 pm, 1.10 am, 7.30 pm, 1.15 am, 7.35 pm, 1.20 am, 7.40 pm, 1.25 am, 7.45 pm, 1.30 am, 7.50 pm, 1.35 am, 7.55 pm, 1.40 pm, 8.00 pm, 1.45 pm, 8.05 pm, 1.50 pm, 8.10 pm, 1.55 pm, 8.15 pm, 1.58 pm, 8.20 pm, 1.59 pm, 8.25 pm, 2.00 pm, 8.30 pm, 2.01 pm, 8.35 pm, 2.02 pm, 8.40 pm, 2.03 pm, 8.45 pm, 2.04 pm, 8.50 pm, 2.05 pm, 8.55 pm, 2.06 pm, 9.00 pm, 2.07 pm, 9.05 pm, 2.08 pm, 9.10 pm, 2.09 pm, 9.15 pm, 2.10 pm, 9.20 pm, 2.11 pm, 9.25 pm, 2.12 pm, 9.30 pm, 2.13 pm, 9.35 pm, 2.14 pm, 9.40 pm, 2.15 pm, 9.45 pm, 2.16 pm, 9.50 pm, 2.17 pm, 9.55 pm, 2.18 pm, 10.00 pm, 2.19 pm, 10.05 pm, 2.20 pm, 10.10 pm, 2.21 pm, 10.15 pm, 2.22 pm, 10.20 pm, 2.23 pm, 10.25 pm, 2.24 pm, 10.30 pm, 2.25 pm, 10.35 pm, 2.26 pm, 10.40 pm, 2.27 pm, 10.45 pm, 2.28 pm, 10.50 pm, 2.29 pm, 10.55 pm, 2.30 pm, 11.00 pm, 2.31 pm, 11.05 pm, 2.32 pm, 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# Leading Liberal joins SDP after energy policy disagreement

By George Clark  
Political Correspondent

Professor Ian Roxburgh, aged 41, professor of applied mathematics at Queen Mary College, University of London, who was a Liberal candidate at the 1970 general election, announced yesterday that he has joined the Social Democrats. He is the first leading Liberal to switch his allegiance to the new party.

He was senior adviser to the Liberal Party on energy policy and until he resigned the post at the end of the last Liberal assembly was chairman of the party's energy panel.

His main reason for resigning is a disagreement with the party on energy policy, but he was also disillusioned about the way the party adopted new policies without thinking through the consequences.

The long resolution on energy carried by the last assembly against his advice included a call to stop production of nuclear power.

Professor Roxburgh argued that the development of alternative energy sources and a modest nuclear programme was the only sensible way of overcoming the energy crisis that the United Kingdom will face in the coming years.

He said yesterday that he found it distasteful to be labelled by some Liberals as a "pro-nuke". "I am not at all arguing that use of nuclear energy is the only way to solve the country's energy problems, but I do claim that we cannot afford to throw away any possible contribution to our energy sources," he said.

There was growing pressure in the Liberal Party to adopt "simple-minded solutions" to complex difficulties without taking proper account of the consequences. Two examples of that were the energy policy and the resolution on free public transport.

"My hope and belief is that the founding members of the SDP and other people I know who have joined it will be much more careful in their analysis of the consequences of particular proposals."

On the new party's general prospects, he said: "It provides a real opportunity for breaking down the extremes of the out-dated two-party dominance of British politics."

Professor Roxburgh lives in the Wanstead and Woodford constituency, which he contested for the Liberals at the 1970 general election. The seat was held for the Conservatives by Mr Patrick Jenkin, Secretary of State for Social Services, who had 20,065 votes in 1970, against the Labour candidate's 8,522 votes and Professor Roxburgh's 4,224.

Commenting on Professor Roxburgh's decision, a Liberal Party spokesman said: "The SDP policy on nuclear energy is not known yet but there are indications that it may develop along the lines already adopted by Liberal MPs."

"While the United Kingdom is in the fortunate position of being an oil-rich country, there should be a 10-year moratorium on nuclear power expansion while detailed research is undertaken into alternative energy sources."

On Tuesday a High Court judge recommended that the cult's tax-free status should be investigated on the ground "that it is a political organization". The judge found that a Daily Mail article which claimed that the Moonies broke up families and tarried-washed converts was not libellous.

The MPs tabled a motion deploring the activities "of this so-called church". The motion's principal sponsor is Mr David Mellor, Conservative MP for Walsworth, Putney.

The Moonies, who derive their name from Sun Myung Moon, the South Korean-born founder, could face investigations from three flanks.

The Charity Commissioners have a statutory duty to investigate any allegations made to them about registered charities.

The Inland Revenue considers the way a charity spends its funds when it applies each year for its tax exemptions. The third interested party is the Department of Health and Social Security.

Yesterday the department said: "We are keeping a watch on the actions of this body and would certainly want to look very carefully at the evidence which came out of the trial. The Moonies, whose British headquarters are in Lancaster Gate, Bayswater, would lose about half of their income if they were denied their tax-free status as the result of any decision by the Inland Revenue that they are not using their funds for charitable purposes."

If, as a result of any investigation by the Charity Commissioners, the trustees of the church's charities, including Mr Dennis Orme, leader of the

Unification Church in Britain, who brought the action against the Daily Mail, were found to have indulged in political activities, they would be in breach of trust.

Mr Orme and other trustees could then be called on at law to return to the charities any of their funds spent outside their purposes.

The Unification Church is a collective title covering a variety of associations, companies and magazines involved with the Moonies. They include Holy Oak Hill Farm Community, Kensington Arts Society, International Brass Band and God's Light Infantry.

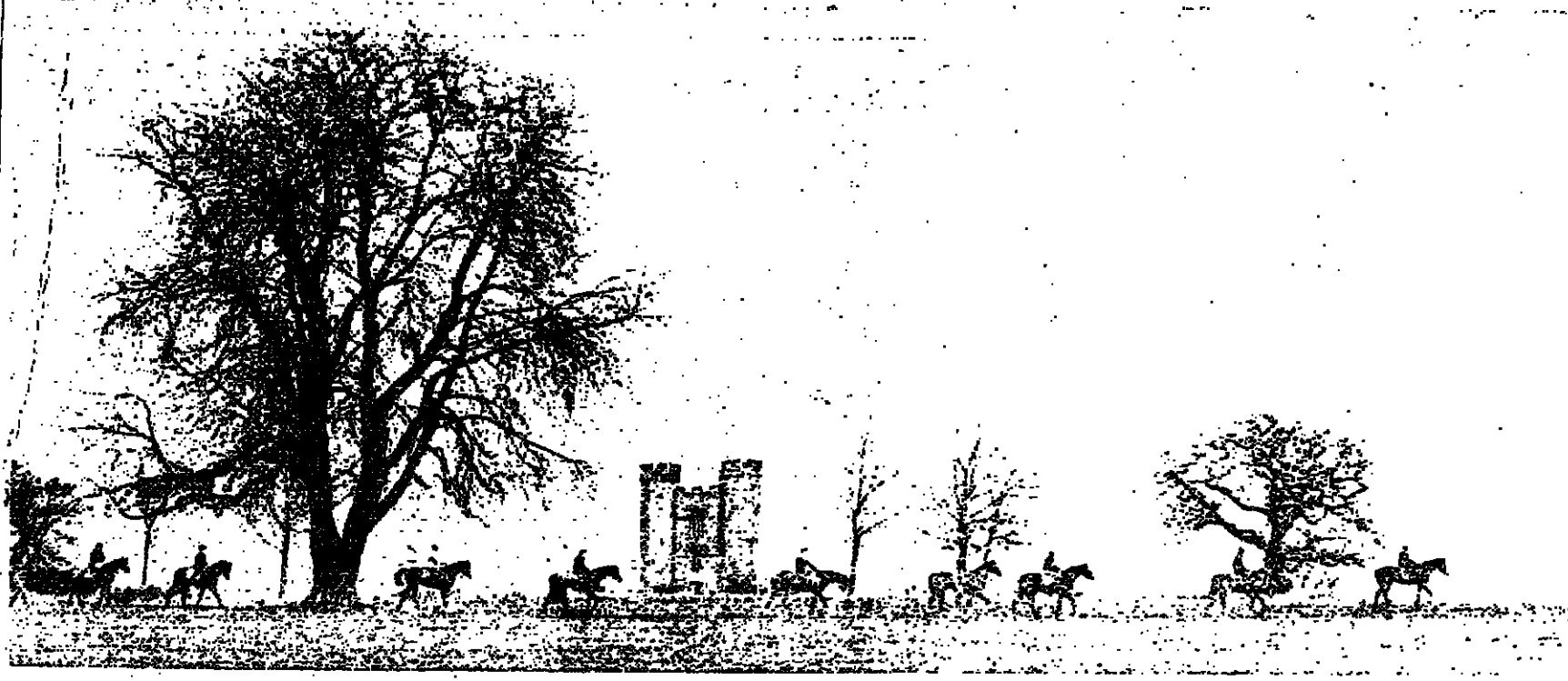
Only two titles are registered as charities with the Charity Commissioners: the Holy Spirit Association for the Unification of World Christianity, registered in 1968, and the Sun Myung Foundation, registered in 1974.

The two had a total income for the year ending March 1979 of about £1.7m, before outgoings, which at present is tax-free. Income comes from street-collecting, from the sale of produce from their farms or commercial ventures such as printing. Those businesses give money through covenants to the charities, which is then tax-exempt.

The loss of tax-free status would mean any capital assets received would be subject to about 30 per cent capital gains tax. Another big benefit which would go would be the 30 per cent relief on rates.

However, Mr Orme is confident that there is no evidence to justify claims of political involvement in Britain. In a letter to a complainant in 1977, the Charity Commissioners said: "We have no evidence that any funds are applied in direct support of Mr Moon as an individual."

Leading article, page 15



Racehorses and riders in procession through Arundel Park, West Sussex after a morning gallop.

## Libel action defeat could bring investigations of sect from three flanks

### MPs seek end of Moonies' charitable status

By Frances Gibb

More than sixty backbenchers from all quarters of the Commons yesterday called on the Government to end the charitable status of the Moonies, or Unification Church, immediately.

On Tuesday a High Court judge recommended that the cult's tax-free status should be investigated on the ground "that it is a political organization". The judge found that a Daily Mail article which claimed that the Moonies broke up families and tarried-washed converts was not libellous.

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Leading article, page 15

## BL workers refuse to back strike

From Clifford Webb  
Birmingham

White-collar unions appeared last night to have lost their long battle with British Leyland to prevent compulsory staff redundancies.

Twelve employees whose redundancy became effective on Tuesday reported for work as usual yesterday. They were accompanied through the gates by about 50 supporters, including union officials, to stage a "sit-in". But a meeting of 600 staff later rejected by a large majority a shop stewards' recommendation that they should strike for three days.

Mr William Linthwaite, chairman of the joint staff unions committee, said: "It looks as if we have come to the end of the road."

Four white-collar unions have contested plans for a total of 4,250 British Leyland redundancies for more than three months.

## Lightweight battery can be built into car

From Pearce Wright  
Science Editor  
Cambridge

A plastic battery, one tenth the weight of the conventional lead acid battery, could be built into the bodywork of the normal car.

It was described in Cambridge yesterday by Professor A. Medwith, of Liverpool University. He explained how a number of discoveries, neglected for industrial purposes over the past few years, could be exploited to replace the traditional car battery. They could also supersede other ideas of the past 20 years for replacing the car battery by a chemical fuel cell.

He told the centenary meeting of the Society of Chemical Industry that new polymers could replace the heavy lead plates, sulphuric acid and thick plastic containers of the conventional battery.

The switch to other supplies, such as the conversion of coal into raw materials, or the use of biotechnology processes for rawfeed, was the key to the conference.

Dr Andrew Stratton, of Imperial Chemical Industries, said the time had come for the chemical industry to uncouple itself from oil.

Solicitors to be struck off roll

Two solicitors were ordered to be struck off the roll of solicitors by the Solicitors' Disciplinary Tribunal in London yesterday.

In separate cases, the tribunal held that Mr James Whitaker Elston Grady, of Barlinton, Staffordshire, and Mr Patrick Gerald Sheridan Hickey, of Torquay, Devon, had been guilty of professionally unbecoming conduct. They have 14 days in which to lodge notice of appeal.

## Labour MP accused over royal attack

By John Withrow

Mr William Hamilton, the anti-monarchist Labour MP for Fife Central, was yesterday described as acting in a "curmudgeonly" fashion for criticizing the Government's plans to spend taxpayers' money on the royal wedding in July.

Mr Hamilton said during question time in the Commons that the families of the Prince of Wales and Lady Diana Spencer should be invited to "pay their own way in these matters".

"Since the Government is imposing savage cuts on housing and education and everything else, do you not think it would be absurd and indefensible if the same Government chooses to spend unlimited amounts of taxpayers' money on a jamboree of this kind?"

But Mr Geoffrey Finsberg, Parliamentary Secretary of State at the Department of the Environment, told him not to "act in such a curmudgeonly fashion".

He said: "Far from it being a waste of public money, it will bring substantial commercial benefits to the country as a whole."

Textile protest: A protest at the Lord Chamberlain's attempt to stop most textiles from using royal insignia on souvenirs commemorating the royal marriage was last night registered with Sir Keith Joseph, Secretary of State for Industry (Our Political Staff writes).

Mr Michael Meacher, Labour MP for Oldham, West, asked Sir Keith to make it clear to the textile industry that they should turn a blind eye to the Lord Chamberlain's announcement which, he said, had "no legal or statutory force".

record

## Drink laws 'should be relaxed'

Britain's licensing laws should be relaxed to reduce the harm caused by alcohol, the Health Economics Commission says today.

If children were allowed into continental-style café-public houses youngsters might no longer drink to prove their manhood a report from the office states.

Longer opening hours would cut the rate at which people downed alcohol, it maintained. But the report also calls for higher duties on drink because the relative price of alcohol has halved while consumption has doubled over the past 25 years.

The latest figures, for 1979, showed £9,000m was spent on alcoholic drinks, including 1,500 million gallons of beer, 100 million gallons of wine, and 40 million proof gallons of spirits.

This was the equivalent of almost two gallons of pure alcohol each year for every man, woman and child in the country.

The result was 750,000 problem drinkers, between 5,000 and 10,000 premature deaths, and a £1,000m drain on the economy, the officials say.

There were more than 100,000 convictions for drunkenness each year, and about 50,000 for drunken driving. Probably one man in 10 drove while over the legal limit each week.

The report recommends that a new campaigning body—perhaps similar to the anti-smoking group, ASH, should be set up to highlight the hazards.

Family doctors and health visitors could also be trained to recognize "at risk" drinkers. Alcohol—Reducing the Harm, Office of Health Economics, 12 Whitehall, London SW1.

## Car price 'extras' criticized

By Robin Young  
Consumer Affairs  
Correspondent

The advertised list prices for new cars bear no relation to the final bill, according to this month's issue of *Motoring Which?*, published by the Consumers' Association today.

The magazine says that one third of the cars it has bought for test in the past year have cost more than they should because they were obtainable only with a metallic paint finish at extra cost. The magazine's buyer was told he would have to wait much longer if he insisted on a car without this supposedly optional extra.

A new Ford Escort 1600 Ghia was offered only "with a most astonishing list of 'options' adding about £625 to the price of the car."

Charging for delivery is not unreasonable, the magazine says, if it was shown in the advertised price instead of coming as "a very nasty extra."

"It would be more sensible if car dealers had to display the actual price of their wares, not some hypothetical price that excludes costs the buyer can't avoid", the magazine says.

## Court hears tale of neighbourly mayhem

Albert Webb, a former teacher, welcomed his new neighbours to their home by threatening to rip up their driveway. Stourbridge County Court was told yesterday. Later he was said to have sat down their garden fence with a chainsaw and to have tried to have their garage drive broken up.

The court was told that trouble arose over a disputed boundary. Mr Clifford Meredith, however, said he knew nothing of the dispute when he moved into the house in Westworth Road, Stourbridge, West Midlands. "Aggravation began as soon as we arrived," he said.

He told the court that Mr Webb and his wife, Eileen, had made his life a misery for five years. "Because of the trouble I had to have a week in hospital with a nervous rash. Mrs Webb was proud of that."

Mr Meredith is claiming £500 damages after alleging that the Webbs continued to cause a nuisance after an injunction was served on them in 1978. Mr Webb has counter-claimed for £6,251 in damages for assault.

Mr Webb said he suffered a black eye and broken nose in the alleged assault, and his wife had cuts and bruises.

Judge Stuart-White adjourned the hearing.

## Coal board clashes with council over tipping site

From Ronald Kershaw  
Leeds

West Yorkshire County Council has clashed with the National Coal Board over what it considers the board's unseemly haste in telling 4,500 miners they may lose their jobs if the county council, as the local planning authority, does not grant space for tipping colliery spoil at South Kirkby.

A decision on the tipping application is not due until next Tuesday. Four collieries are affected: South Kirkby, Ferry Moor, Riddings and Kinsley. The board has spent £20m on a new washery plant to handle centrally two million tonnes of coal a year from the four pits, but it has tipping space available for only two and a half years' supply of spoil.

Two years ago the board applied to Wakefield Metropolitan District Council to tip on a 185-acre site near the four-pit complex. That was rejected, so it appealed to the county council, pointing out that the new site would provide tipping capacity for between 18 and 20 years.

Where, however, the offence was committed less than six months ago, it is a relatively easy matter to rectify the irregular procedure, either orally, by charging the defendant anew when he appears before the court, or, if the defendant is not there, by dismissing the old, invalid summons, and sending out a new one.

If defendants have already been convicted, however, there is little chance that they will be able to use the loophole to get their convictions reversed. They would have to prove that the procedure was wrong, which would be extremely difficult.

## High Court ruling invalidates summonses

By Marcel Berlins  
Legal Correspondent

Tens of thousands of offenders are not being prosecuted because a recent High Court decision has invalidated the summonses issued against them.

The Queen's Bench Divisional court ruled in February that magistrates' court summonses must be authorized and signed by a magistrate or by a justice's clerk. The normal practice of having them issued by her court official, even ifally qualified court clerks, is not sufficient.

The result, according to the justices' Clerks' Society, is that about 3,300,000 summonses that were in the pipeline at the time of the decision were invalid. That does not necessarily mean that all that number of alleged offenders are getting off scot-free. As many as a quarter of them, however, may escape because their offences were committed more than six months ago.

The law on most motoring offences, which make up the majority of the summonses in question, and on many other minor offences, insists that a summons be issued within six months. If that period has elapsed, it is impossible to substitute a correctly prepared summons for the invalid one.

Where, however, the offence was committed less than six months ago, it is a relatively easy matter to rectify the irregular procedure, either orally, by charging the defendant anew when he appears before the court, or, if the defendant is not there, by dismissing the old, invalid summons, and sending out a new one.

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## The difference between Lufthansa's Fare Deals and British Airways Fare Deals:



On flights to Germany, British Airways is offering price cuts — with service cuts. Lufthansa is also offering price cuts. But we refuse to cut the quality of our service at any price. Here is the proof: **Lufthansa's new Eurobudget Fare.** If you keep to a firm booking on a return flight to Germany, Eurobudget saves you money — and guarantees you full Economy Class service. The fare is at least £9 cheaper than Lufthansa Economy Class and at least £17 cheaper than British Airways Club Class. To regain the flexibility of an Economy ticket, you simply pay the difference in price. And are still better off than any Club Class passenger.

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# Glasgow march banned as MPs seek talks about threat to rights

By Frances Gibb  
Twenty Labour MPs are seeking an urgent meeting with the Home Secretary to protest about the number of bans on marches in force throughout the country under the Public Order Act, 1936.

The latest was imposed yesterday when a march through Glasgow in support of the Irish hunger strikers was banned by Mr George Younger, Secretary of State for Scotland.

It brings to four the number of cities or districts where marches are banned, denying what is believed to be a record number of people of the right to protest in public. A ban on marches in the London area expired at midnight on Tuesday and one in South Yorkshire ended on Sunday.

Mr Younger approved a three-month ban on all marches in the Strathclyde region, a decision that also prohibits a proposed "loyalist" march through Glasgow a week on Saturday at which the Rev Ian Paisley was due to speak.

The ban, which does not affect marches traditionally held for more than ten years, comes after requests from Strathclyde Regional Council on advice from Mr Patrick Hamilton, Strathclyde's Chief Constable. Loyalists had threatened a counter-demonstration to the hunger strikers' march.

Yesterday Mr Robert Kilroy-Silk, Labour MP for Orkney and chairman of the Parliamentary Labour Party's civil liberties group, which is seeking the meeting with Mr White-law, said the group was very concerned at the "blanket bans".

He said: "These bans, which affect heavily populated areas of the country, have caught people who have legitimate grievances but now have no way of expressing them."

Among the peaceful protests which could be prevented by the bans is a nuclear disarmament march which had been due to go across the Pennines from Leeds, ending in Brussels.

Another march in protest against the nationality Bill had had to be deferred because of the ban in the whole of the Metropolitan Police area issued on March 5 and expiring on Tuesday.

Other bans included one in Wolverhampton from March 20 to April 3, and in Leicester, from March 20 for one month.

"The great majority of these are solely to stop the National Front," Mr Kilroy-Silk said. "We are going to urge the Home Secretary only to use the ban as a last resort."

## School milk scheme in jeopardy

By Hugh Clayton  
Agriculture Correspondent

An EEC scheme to sell milk at half price to British schoolchildren is in jeopardy because the Government has refused to pay its share of the necessary subsidy.

## 'Russia saw plants as nerve centres'

"He himself [Citrine] was satisfied that the Russians regarded our power stations as the nerve centre of British industry and that they had made special efforts to get influence among workers in power stations. He was convinced that the great majority of their employees could be relied on, but there were a few who were not, mainly in London power stations, who were active and dangerous communists."

"He had always felt that the strikes last winter were only a dress rehearsal, and that the communists would exploit any grievances to produce strikes and would not stop at sabotage."

Lord Citrine wanted M15 to review security arrangements at power stations, to check on suspected communists and to keep them under observation.

Sir Roger's involvement, and that of an M15 colleague, Mr P. A. Osborne, is shown by their attendance at a meeting of the Cabinet's Official Committee on Emergencies which convened on August 15 to advise Mr James Chuter Ede, Home Secretary, on what to do about the possibility of sabotage in power stations. Neither Sir Roger nor Mr Osborne spoke.

But Sir Guildhaume Myrddin Evans, from the Ministry of Labour, said that only one of the five unions involved in the electricity supply industry, the Electrical Trades Union, was communist-dominated. Before the British Electricity Authority took steps to move communist workers in power stations to less sensitive jobs, it should have a wholly convincing case ready to justify its action.

## Outcome revealed in Cabinet minute

The result of Sir Roger's investigation is disclosed in a Cabinet minute for August 17, 1950, in which Mr Chuter-Ede, following the advice of the emergency committee, is recorded as saying: "There was no reason to believe that any organized outbreak of sabotage was imminent."

Another security file among the Prime Minister's Office papers released yesterday at the Public Record Office in Kew, discloses a second M15 investigation in the aftermath of the outbreak of the Korean War in information that the Communist Party was succeeding in an effort to recruit Irish people living in Britain to its cause. It is not known which M15 officer led the inquiry.

At its conclusion, Mr Attlee was told: "There is no reason to believe that the Communist Party is making a set at the Irish... In any case, there is no cause for particular alarm."

## Authorities fear a housing crisis from council cuts

By Nicholas Timmins  
Housing in England is rapidly heading for a crisis, a conference at the Royal Institute of British Architects in London was told yesterday.

With more than 300,000 unemployed in the industry, public sector housing starts down to a maximum of 30,000 in the face of increasing demand, and surveys suggesting that older property is crumbling and dilapidated, "we are rapidly reaching the stage of running into a monumental housing crisis," Mr Peter McGuck, under-secretary for housing at the Association of Metropolitan Authorities, said.

There was the added danger that in a few years there would be too few craftsmen available to build new housing and keep up with the repairs needed. It the economy picked up and too little housing was available

prices would rise and money that should go towards industrial regeneration would be put into larger and longer mortgages. At the same time more people would be squeezed out of home ownership.

Mr McGuck told the conference on "Homes for the Eighties" that government spending on housing had been cut from nearly £3,000m in 1975-76, to a projected £2,000m in 1983-84.

Starts in the public sector this year had been estimated at 30,000 by the building materials association's figures suggested even that figure might be optimistic. Private sector starts were estimated at 10,000.

The real numbers needed, however, were about 300,000 a year because demand was rising as a result of the baby boom of the mid-1960s.

Applications in London are not being transferred to the Post Office.

Car owners outside London will from today be able to license their vehicles by postal application to 147 head post offices. Mr Norman Fowler, Minister for Transport, announced yesterday.

The extension of the postal service is the last step in a programme, announced a year ago, to transfer vehicle licensing from Post Offices to accept all relicensing except for goods vehicles of more than 30 cwt, or where changes affect the rate of duty payable, or the taxation class, or where the applicant does not have a registration document. In such cases the documents should go to a local vehicle licensing office. The change does not apply to Northern Ireland.

Applications in London are not being transferred to the Post Office.

Both British Airways and British Caledonian, who opposed Sir Freddie's application to fly the route, denied that they were involved.

Mr McGuck said yesterday that he would find it incredible if any British company could be party to getting another British company on the Arab boycott list. "If I were party to anything like that, I think I would resign. But the thing to ask oneself is, how the Arabs got hold of a 17-month-old photograph?"

The authority hearing was told by Sir Freddie that Sharjah has all the facilities needed for tourists. He already has a licence to fly through the emirate on the way to Hongkong, but wants to fly tourists into the kingdom.

"Sharjah has five-star hotels and all the night life that tourists could want," he said.

The sender of the pictures remained a mystery yesterday. Both British Airways and British

St Paul's blacks have a new self-confidence on anniversary of disorders

Bristol today remembers a riot with hope

RA fears for future of its greatest treasure

Prince Andrew earns 'wings'

Actress is cleared of having drug

Prison officer cleared

Nurse not guilty

Father finds girl dead

Early birds

Coal mine goes ahead

Singer stops records

'Impossible' to fake tapes used in trial

Policeman suffers foul play

Mr Dickens goes back to his wife and family

Prisoner caught

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Mr Dickens goes back to his wife and family



# What destroys other cars helps preserve ours.



Salt. It leaves a nasty taste in the mouth of most car manufacturers.

Because it's all too quick to point out weaknesses in body design. Flaws in paintwork. And skimping on underseal.

It leaves its mark in the form of little, bubbling, festering brown spots. That get bigger. And bigger.

At Volkswagen we don't see salt as a destroyer. But as a preserver. (We're nothing, if not positive.)

We begin our corrosion tests by taking a selection of body shells for a 24 hour cycle. The first 4 hours they spend under a continuous salt water spray.

Then we let them cool down and dry out for 4 hours before parking them in a nice, warm, damp room for 16 hours. Enough time for humidity to go to town on them.

Then?

Then we do it again. For 7 days. For 4 weeks. For 3 months. (More salt than the average car will see in a lifetime.)

Next we give them the Custom Officer treatment.

Each shell is stripped down and torn apart in a fervent search for bad corrosion. (We even cut open the window supports and door strengtheners.)

Should we find an undue amount of rust, we go into reverse. Back to the drawing board.

If we don't, out comes a new car complete with a 6 year anti-corrosion warranty.

That's why every Volkswagen is worth its salt.





## 'We are in danger of seeing one another for the first time'

### RC expert says infallibility dispute not necessarily a bar to unity

By Clifford Longley  
Religious Affairs Correspondent

Disagreement on the infallibility of the Pope may not be a barrier to unity between the Church of England and the Roman Catholic Church, which is therefore much nearer than anyone had imagined, according to a leading Roman Catholic expert.

The Right Rev Alan Clark, co-chairman of the Anglican-Roman Catholic International Commission, was replying to the Archbishop of Canterbury, Dr Robert Runcie, who asked three weeks ago for clarification of the Roman Catholic Church's terms for church unity.

Mr Clark's response in an address to Westminster Abbey, was to state that sufficient agreement already existed, and outstanding differences were of secondary importance.

The two churches have been seeking to overcome their differences through joint doctrinal studies in the commission of which Mr Clark is the Roman Catholic leader. He is Bishop of East Angles, but in his ecumenical capacity reports directly to Pope John Paul.

Dr Runcie had raised for the first time the crucial difficulties that appeared to lie ahead, such as the proposed relationship between the General Synod of the Church of England and the Vatican. He indicated that Anglicanism would not be prepared to compromise its principles, but seemed optimistic that solutions could be found.

Mr Clark praised Dr Runcie for asking such questions, but asked: "Could it be that an attempt to do the 'right' and cross the 'red' is premature?"

"It would be inhuman to take



Mr Alan Clark: Praise for Dr Runcie

no notice of particular points or reservations made. After all, some of those reservations are inherent in the theological debate within the Roman Catholic Church, particularly in the area of the infallibility attributed to the Pope in the exercise of a more profound ministry."

He described an idealized kind of papal ministry, where infallibility was exercised in consultation with the church to protect the church's unity when a real conflict of faith cannot be resolved by more ordinary means, but said there seemed to be no guarantee that it would be limited in that way.

The "present renewal" of the Roman Catholic Church was concerned with just such issues, he added.

It might be thought that such considerations exploded once and for all the possibility of unity. "What is my foolishness am now going to say is a

necessary development in our relationships, requiring immense faith and trust, but none the less the consequences of an acceptable strategy for unity."

The Anglican-Roman Catholic International Commission had, he said, achieved a reconciliation in each with statements on the three areas that divided the churches at the Reformation, on the eucharist, the ministry, and on authority in the Church.

"Our question is simple, but momentous. Is what we have written consistent with our conviction that we are one in faith? Or, perhaps with more modesty, have we sufficient ground for reconciliation?"

He asked each church to decide its answer, and quoted Chesterton: "By looking at one another for the hundredth time, we will be in grave danger of seeing one another for the first time". Mr Clark's own answer to his question, whether sufficient ground existed for reconciliation, was: "Let us then be reconciled."

The significance of his conclusion is underlined by the fact that the commission of which he is the Roman Catholic chairman has announced its inability to resolve certain differences of doctrine concerning the papacy.

It is due to produce its final report later this year, but it is known that the infallibility of the Pope will remain unresolved.

On the other hand, the two sides have reached agreement on the need for a universal ministry to secure the unity of the Church, and the Archbishop of Canterbury himself indicated the acceptability of some form of papal primacy for that purpose.

## Major Haddad gives an ultimatum to UN force in Lebanon

From Christopher Walker  
Middle East, April 1

Major Saad Haddad, commander of the Israeli-backed militia forces in south Lebanon, today threatened to retaliate against United Nations troops if there was any attempt to change the fragile status quo in the region.

The threat, delivered in the presence of a number of senior Israeli officers gathered in a border hotel, was soon as the bluntest warning issued to Major General William Callaghan, the new Israeli commander of the United Nations Interim Force in Lebanon (Unifil).

It came amid a serious new build-up of tension in the area after two Israeli border raids within the past 48 hours. In the latest attack last night four houses in the Lebanese village of Tulun were blown up by Israeli commandos who claimed they had been occupied by Palestinian terrorists.

[A Lebanese Army Sergeant attached to Unifil was killed early this morning in the Israeli raid on Tulun, Moshe Brillant writes from Tel Aviv.]

A Unifil spokesman said a mixed patrol of nine Nigerians and six Lebanese exchanged fire with the raiders. The Israelis denied they had been an exchange of fire but they said they heard shooting from the village after they had withdrawn.

A United Nations spokesman said the Lebanese sergeant had been a member of the patrol and had taken cover from the shooting against the wall of a building which was hit. He died from shrapnel wounds to his head.

Because of the deterioration in the situation, the Israeli Army has imposed an indefinite ban on journalists entering the zone controlled by Major Haddad. It was one of a number of reports today that he was visiting the region today on what were told was the last

trip permitted because of "the new problems".

In a belated statement to foreign correspondents, Major Haddad claimed that his 2,000-strong force would resist any attempt by UN troops to extend Lebanese sovereignty southwards.

"We believe in our country, we believe in our freedom," he said. "We are not going to give up even if we are exterminated because we are not prepared to live under PLO rule and the Syrian regime."

A senior Israeli officer, who refused to be identified, backed up the renegade Lebanese major's warning of violence if Unifil attempts to move more Lebanese soldiers towards the Christian enclave.

The Israeli officer claimed that the future of peace in the border region now depended on the Irish general who has recently declared his willingness to suffer casualties in pursuit of Unifil's mandate. "It depends on Callaghan," he said forcefully. "If he tried to change the area there would definitely be a clash."

Spouting a large automatic pistol on his hip, Major Haddad claimed that his forces had sufficient manpower and weaponry to defeat Unifil. Coincidentally at that moment a heavily armed Israeli half-track rumbled noisily past the hotel window.

"Mr Callaghan is not paying for his soldiers from his own pocket. I do not believe that all the United Nations soldiers will be paid," Major Haddad said. "I assure that 50 per cent will not follow his orders."

The Israeli-supported militia commander then accused the Irish general of showing sympathy to the PLO because of what he claimed was a link between the Palestinian group and the Provisional IRA.

## Kimberley fears renewed boycott of black schools

From Nicholas Ashford  
Johannesburg, April 1

Five blacks appeared in the Kimberley magistrates' court today on charges arising from a boycott of black schools which effectively paralyzed black education in the diamond-mining city during the second half of last year.

The five are part of a group of 23 detainees who were either student leaders or members of the Galesheva Action Committee. This was formed to put the views of pupils and parents to officials of the Department of Education and Training in an attempt to end the boycott. Galesheva is the township where the city's 66,000 blacks live.

There are growing fears that the continued detention of the 23 could lead to a resumption of the schools boycott in Kimberley. The students' action was called off earlier this year only on condition that the detainees were released. However, the court today ruled that all 23 should remain in custody.

The Kimberley students began their boycott last July in protest at the lack of facilities in black schools and also in solidarity with black boycotters in other parts of the country.

At one stage 17,000 Kimberley students were taking part. Their protest was marked by incidents of violence which were met by a tough police response.

When they called off their action, the students gave the Government six months to do something concrete about their grievances.

Meanwhile 500 blacks went on the rampage last night in the township of Tembisa outside the East Rand town of Springs after a meeting to discuss increases in hostel and housing rents. Extensive damage was done to a government building and a beer hall. Two police vehicles were stoned and a tractor and a trailer set alight.

Two arrests were made. An attempt by a group of women and children to hold a protest march this morning was stopped by the police.

## Kampala alarm after shooting in army barracks

From Charles Harrison  
Nairobi, April 1

Concentrated gunfire at the Mbaya Army barracks in Kampala last night caused panic among residents in the area. But it appeared to have caused no casualties and probably resulted in no deaths. The police are investigating reports that antigovernment guerrillas were attacking the barracks.

Residents ran from their homes when automatic rifles, grenades and mortar bombs exploded around the suburban area. The guerrillas have surprised Army units several times.

Troops are still manning roadblocks and guarding key buildings after last week's incidents, in which guerrilla groups cut power supplies to Kampala and damaged the local radio station.

More than 60 civilians are reported to have been shot dead in reprisals, with many of them being dumped in the Nanyang Forest, east of Kampala.

Mr Luwuliza Kirunda, the Interior Minister, replying to a question in Parliament, denied the firing squads were executing civilians in the Mbende area, 100 miles west of Kampala.

## Prince of Wales unperturbed by demonstration

From Our Correspondent  
Wellington, April 1

The Prince of Wales encountered the police in a noisy demonstration against the royal visit and set fire to a Union Jack. They chanted "Charlie go home" and "In the end the black people will win". Several hundred demonstrators, including Mr Dun Mikaka, a well-known Maori activist. The protesters did not directly confront the Prince, who appeared unperturbed, waving his direction as he moved away.

Violence frequently erupts from rivalries among various groups which take such titles as Headhunters, Black Power, and Mokoia. The Government has been disturbed at the escalation of violence, last week set up a committee to investigate gangs who, for the most part, are apolitical.

But some observers fear the problem contains seeds of racial conflict. The formation of the new police force was part of the independence process, General Gouws said. The National Assembly, which is dominated by the internally-based Democratic Turnhalle Alliance, recently approved a resolution calling on Mr Danie Hough, the South African appointed Administrator-General, to establish a police force separate from the South African police.

Namibia already has its own defence force which is fighting alongside South African Army units in the north of the country against guerrillas. The Pretoria Government has also conferred executive powers on a Council of Ministers to prepare the territory for eventual independence.



Tear gas disperses farmers demonstrating in Brussels for the third consecutive day

## EEC close to farm price agreement

From Our Own Correspondent  
Brussels, April 1

Agriculture ministers of the Ten appeared tonight to be heading for agreement on an increase of close to 10 per cent in the support prices paid to the EEC's eight million farmers. This would be by far the highest rise in recent years.

Some hard bargaining still remained to be done, however, as Mr Peter Walker, the British Agriculture Minister, and his colleagues reassembled here this evening after talking throughout the night. He was "cautiously optimistic" about reaching agreement.

Once again the ministers, who began their meeting on Monday, had to be led into the Council of Ministers building by a backdoor and under heavy police guard to avoid about 3,000 angry farmers who besieged the front entrance for the third day running.

During the afternoon, as they waited for the ministers to

arrive, the farmers, almost all from France, fought running battles with riot police, who used batons and tear gas to disperse the crowd. By nightfall the demonstrators had been reduced to a few hundred.

EEC farmers' organizations have been demanding a price rise of more than 15 per cent, which they claim is the minimum necessary to offset the effects of inflation. The agreement taking shape would give many farmers an increase close to or even above this figure.

This would derive from proposals for accompanying devaluations of "green" currencies, which would add a further 2.8 per cent to the common price rise in France, 3.9 per cent in Italy, 2.8 per cent in Denmark and 7 per cent in Italy.

There would be no additional bonus for British farmers because Britain's green pound—the special exchange rate used for agricultural purposes—is worth less than the real

pound and cannot be devalued.

Mr Walker has succeeded, however, in throwing out the possibility of a 13p a lb increase, which would have deprived British farmers some of the benefit of an overall price rise. But means that consumers will have the opportunity for a price rise.

The main obstacle to agreement was Mr Walker's insistence that the 13p a lb on the consumption of in Britain, which is at present financed entirely out of funds, must continue to be paid.

This was being bitterly fought by Herr Josef Grottel, West German minister, who claimed that to maintain a subsidy in full would be unacceptable extra burden on the EEC budget, in which German are by far the main contributors.

## Namibia gets its own police force

From Our Own Correspondent  
Johannesburg, April 1

Namibia edged a little closer towards achieving unofficial "independence" from South Africa today with the establishment of the territory's own police force.

The force will, in fact, be virtually the same as the former South African police force which had been maintaining law and order in the territory. Major-General Dolf Gouws, head of the new force, was until yesterday Divisional Commissioner of the South African police in Namibia and many South African policemen there are expected to join the new unit. Even uniforms will remain unchanged for the time being.

However, General Gouws said there would be no racial discrimination in the South-West Africa Police (Swap), as the new force is known, and colour would not stand in the way of promotion.

The formation of the new police force was part of the independence process, General Gouws said. The National Assembly, which is dominated by the internally-based Democratic Turnhalle Alliance, recently approved a resolution calling on Mr Danie Hough, the South African appointed Administrator-General, to establish a police force separate from the South African police.

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## Ostracism of Turkey is opposed by Greece

From Mario Mediano  
Athens, April 1

The Greek Government is opposed to Turkey's ostracism by the Council of Europe because of the suspension of parliamentary democracy. It believes that such a reprisal might delay the restoration of democracy in Turkey.

The Greek position was made clear in Athens by Mr Constantinos Mitsotakis, the Foreign Minister, who told foreign journalists that this attitude was in line with the policy of the other EEC countries.

He said: "Turkey's expulsion from the Council would serve no purpose at this juncture. In fact, I believe it would have a negative influence on internal developments as well as the cause of democracy."

There is no doubt that the Greek Government feels its differences with Turkey can be settled in the Ankara military regime, more easily than with parliamentary governments which are so vulnerable to political pressures.

Already the Greek-Turkish dialogue has produced concrete results in the form of a settlement of the Aegean air space question, while Mr Mitsotakis

himself seems convinced Cyprus solution is also sight.

"My own assessment is there are real possibilities for a just solution of the C problem at the present time," he said. "I believe that all who can help in this should be ready to act at an appropriate time."

The Greek Minister believes that those who can help in Greece and Turkey, but also European Community, and United States where the Republican Administration could reap some interim benefit until the time came for a final settlement of the Middle East problem.

"All these forces should put in motion at the right time," Mr Mitsotakis said, "and I believe that the right time should be ready to act at an appropriate time."

Mr Mitsotakis, who is going to have talks with his Turkish opposite number in Istanbul on May 3, just before the session of Nato foreign ministers, said that his own evaluation was that a Cyprus solution was closer today to an overall settlement of G-Turkish disputes.

## King warns Belgians of struggle for survival

From Michael Hornsby  
Brussels, April 1

King Baudouin held talks with Belgian political and social leaders in Brussels today to seek a way out of the crisis into which the country has been plunged by the failure of the coalition Government of Socialists and Christian Democrats to agree on economic policy.

Mr Wilfried Martens, the Prime Minister, who is a Flemish-speaking Christian Democrat, tendered the resignation of the Government yesterday, but the King refused to accept it immediately. He may ask Mr Martens to try to patch up his differences with his coalition partners, or ask someone else to try to form a government.

In an extraordinary move last night, the King summoned nearly 20 leaders of Belgian political parties, big business and trade unions to the palace and warned them: "We are at war—a war for the survival of our economic apparatus, the welfare of all, especially the less well-off, and our place in the world."

The King said that he had no preconceptions about what coalition should be formed to tackle the crisis. His aim in consulting party leaders was to make possible the emergence of a government that was "possible and effective". He also appealed for "constructive parliamentary opposition". This was seen as a reference to the possibility of the Christian Democrats forming a minority government on their

own with the informal support of the right-wing Libe.

There is still a chance, however, of salvaging the Christian Democratic Socialist alliance. The crisis came to a head because Mr Martens had posed that Belgium's system automatically linking the cost of living to the franc was a threat to the franc for the time being but not produced any spectacular recovery.

So serious is the crisis—fourth in the past 15 months—that there is speculation about the formation of a government of "national unity" even that non-parliamentary government of technocrats. There is general reluctance to hold an election, which under Belgium's system advanced proportional representation tends only to shuffle slightly the existing party strengths without creating the possibility of a realignment.

## Welcome for bishop's appointment

By Our Religious Affairs Correspondent

The appointment of Dr Graham Leonard to be the next Bishop of London was warmly welcomed yesterday by the Church Society, an Anglican organization representing evangelical opinion. Dr Leonard is a leading Anglo-Catholic, and evangelicals and Anglo-Catholics have traditionally been seen as opposing tendencies in the Church of England.

The Church Society's statement yesterday acknowledged that Dr Leonard's churchmanship was not theirs, making their welcome to him all the more generous.

"We rejoice in the fact that the bishop holds firmly to the centrality of the apostolic faith, in particular to the divinity and atonement of Jesus Christ, and also to the traditional moral teaching and discipline of the church," the statement added.

Dr Leonard was originally of an evangelical persuasion himself, and said at the time of his appointment that he had retained an evangelical understanding of grace. He has several times found common cause with evangelicals in various church controversies, including opposition to the Anglican Methodist union scheme.

It is unusual for the Church Society to welcome the appointment of any bishop by way of a public statement. It was one of several indications yesterday that opinion in the Church of England was "closing ranks" in response to the controversy about the appointment.

Letters, page 15



Passport returned: Mr John Miller, the man said to have masterminded the recent kidnapping of Ronald Biggs, the Great Train robber, in London yesterday with his bride, Sarah, after a High Court judge returned his passport so the couple can go on honeymoon.

Mr Miller, aged 36, of Cresswell Place, West Brompton, London, was released on £5,000 bail and told to "stay at home"

when he appeared in court on an assault charge last week.

Yesterday, at a private hearing, Mr Justice Smith ruled that Mr Miller's passport should be returned and that he need not make twice-weekly visits to a police station.

Afterwards, Mr Miller said he had asked to be released from the restrictions on his movements "because I want to go on honeymoon."

## Coffin theft charge after funeral

From Our Correspondent  
York, April 1

Minutes after watching his grandfather's coffin disappear behind curtains after a funeral service at York Crematorium, a teenage boy saw the man's body on a metal trolley in a backroom, without the coffin, the boy said at York Crown Court yesterday.

Charles Cox, aged 50, the crematorium attendant, of Main Street, Bishopthorpe, York, pleaded not guilty to the theft of the coffin and its fittings.

Mr Peter Collier, for the prosecution, told the jury: "The prosecution accepts that there must have been more people at the crematorium

involved. But Mr Cox was the man in-charge that day. "No one knows if there is a trade in second hand coffins being sold back to the undertakers. It is an unusual and gruesome case."

Mark Durran, aged 17, of Woodlands Drive, Lepton, Huddersfield, said that his grandfather, Mr Malcolm Durran, aged 75, had died in hospital in March 1980, after a long illness.

After the funeral service, the boy said he was looking at the crematorium gardens when he came to a small back room with a door marked "No admittance" which was wedged open.

Inside, he said, he saw his grandfather's body on a metal trolley.

Mark Durran denied a suggestion from Mr Paul Worsley, for the defence, that he had invented the story about seeing a body to take revenge on the undertaker and crematorium staff because his family had been disappointed in the way the funeral had been carried out.

Under cross-examination, the boy said the undertaker had been "pushy" and the funeral cortege had travelled to the crematorium at breakneck speeds. His mother, Mrs Jane Durran, said: "During the funeral procession we took a roundabout and the coffin slid backwards and forwards."

"I have never been to a funeral like it. The trial was adjourned until today."

Mr Luwuliza Kirunda, the Interior Minister, replying to a question in Parliament, denied the firing squads were executing civilians in the Mbende area, 100 miles west of Kampala.

But some observers fear the problem contains seeds of racial conflict.

## Trudeau opponents encouraged

From John Best  
Ottawa, April 1

Encouraged by a Newfoundland court judgment vindicating their position, Canadian Conservatives today insisted that Mr Pierre Trudeau, the Prime Minister, withdraw his controversial resolution now before Parliament.

The Prime Minister so far has rejected all such suggestions, and early indications today were that the Conservative group cut power supplies to the Prime Minister's residence, a move which would be a violation of the law.

The Newfoundland Court of Appeal ruled unanimously yesterday that the federal plan to bring home the constitution from Britain without provincial consent was legally invalid because it affected provincial rights and privileges.

The Conservative resolution calls on Westminster to legislate a constitutional amendment for the transfer of the Bill of Rights for Canada before divesting itself of ultimate responsibility.

These are matters on which the provinces feel they should have a say.

Eight of the country's 10 provinces oppose the unilateral federal patriation measure. Six are taking part in court actions against it. Premiers of the dissenting provinces were jubilant over yesterday's court decision, which came when Mr Trudeau seemed well on his way to total victory in the constitutional confrontation.

The Liberal Prime Minister responded by offering a deal. If the Conservatives would allow the resolution to come to a vote in the Commons, he would undertake not to "press" the British Government for speedy follow-up action.

The issue could then be decided by the Supreme Court of Canada, which already has agreed to hear arguments on April 28 on a provincial appeal against an earlier judgment by the Manitoba Court of Appeal which found in favour of the federal position.

If the Supreme Court upheld the Manitoba decision, Mr Trudeau "made clear" the Government would feel free to ask Britain to proceed with the final constitutional action. If not, the resolution in its present form would be dropped.

Mr Joe Clark, the Conservative leader, reacted cautiously to the proposal at first, calling it "interesting". However, his position later hardened and today he was calling on the Government to withdraw its "illegal" resolution unconditionally pending a Supreme Court decision.

Mr Clark is also demanding that the Government make its own reference to the Supreme Court for a judgment on the validity of the resolution altogether, apart from the provincial appeal action. The Government has rejected this from the beginning.

In Winnipeg yesterday Mr Sterling Lyon, Premier of Manitoba and a leader in the provincial fight against the Trudeau plan, said he was encouraged by the Newfoundland court decision.

Mr Clark is also demanding that the Government make its own reference to the Supreme Court for a judgment on the validity of the resolution altogether, apart from the provincial appeal action. The Government has rejected this from the beginning.

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## New TV channel commissioning staff start work

By a Staff Reporter

The Channel Four operation gathered momentum yesterday when the three senior commissioning editors began work on the first of hundreds of programmes submitted for the new television network.

They were welcomed by Mr Jeremy Isaacs, the chief executive, and Mr Paul Bonner, controller of programmes. Selection of programme ideas will not begin until the end of the month.

Six further commissioning editors have to be appointed. They will be chosen from about 5,000 applications.

They will deal with specialised aspects of programming whereas the senior editors, Liz Forgan, Naomi Mackintosh and David Ross, will be responsible for the three main areas of factual programmes, education, and drama and entertainment respectively.



## Leader quits Solidarity and another s dismissed

Warsaw, April 1.—A leading member of Solidarity, the Polish free trade union, was dismissed and another resigned today amid continuing clashes between moderates and militants over the terms of a compromise agreement with the government.

Union officials in Gdansk said Mr Karol Modzelewski, Solidarity's chief press spokesman, resigned during a meeting of the union's national consultative commission in protest against the way negotiations with the government were handled.

They also said Mrs Anna Walentynowicz was dismissed from her union post at the Lenin shipyard in Gdansk but had no reasons for the move. She is a former crane operator with an immense popular following and is known as a staunch supporter of KOR, the student group.

Mr Modzelewski, who has been involved in dissident political activity since the early 1960s, became the union's national spokesman after last summer's strikes.

A union negotiating team led by Mr Lech Walęsa, the Solidarity leader, signed an agreement with the government on Monday night just in time to call off a threatened general strike. He has since come under heavy criticism—Reuters.

## Army units move swiftly by night to seize power in Bangkok

From David Watts  
Bangkok, April 1

The organizers of the coup in Thailand moved swiftly in the small hours of this morning to seize control of the capital.

Troops had to be moved in from the frontier but by 2.30 am the Bangkok radio station had been taken over and the area around First Army headquarters was sealed off with tanks and troops.

Two brand-new American-made 105mm howitzers were trained on the headquarters of the Navy with troops and recoilless rifles mounted on Jeeps in the body of the Navy or the students at Thammasat University cause trouble. Here and there pockets of troops stood guard.

The immediate reaction of some was that the coup must have been prompted by the military's frustration at the lack of progress in the assault on the hijacked airliner at Bangkok airport on Monday in which 39 hostages were saved from their Muslim fundamentalist captors.

This was certainly a blow to Thai military pride but it is more likely that the plotters took advantage of the confusion and distraction of the hijacking to make their move.

Having won control of central Bangkok, the Revolutionary Council quickly issued a decree which dissolved the Parliament and dis-

missed the Cabinet. It promised general elections "when the situation has stabilized". Gatherings of more than five people for political purposes were forbidden.

General Prem, the Revolutionary Council declared, had been dismissed as Prime Minister and retired as Army commander-in-chief.

Throughout the day various elements of Bangkok society were called in for briefings on how they should conduct themselves under the new regime. Newspaper owners and journalists, lawyers, businessmen and bankers, secretaries of chambers of commerce and diplomats were summoned in turn. They were told that the new austere regime was going to stamp out corruption and licentiousness.

Newspapers were warned to tell the truth or pay the penalty; but an expected pep talk for foreign correspondents did not materialize.

As the day wore on, however, the decrees became fewer, the martial music on radio and television gave way to less jarring Thai patriotic songs and the troops guarding the palaces of the revolution became progressively more bored and relaxed. The territory they ruled remained small—a restricted area of central Bangkok.

The Revolutionary Council consists of General Sant, Admiral Samut Sathavasin, commander-in-chief of the Navy and General Vasin Isarangkun, Ayutthaya, commander of the

First Army, whose command takes in the capital, central Thailand and the frontier with Kampuchea. The leader of the "young Turks", Colonel Manoon Ruengkachorn, was named secretary-general, while Air Chief Marshal Panang Kantararat, commander-in-chief of the Air Force, was named also as a member of the council though he is at present in the United States.

The principal motivation for the coup appears to have been the recent instability in the Government—General Prem had just patched together a new cabinet after one of the leading partners in the coalition, the Social Action Party, had walked out in a dispute over oil supply contracts with Saudi Arabia. The reshuffled government had a narrow political base and lacked some desperately needed economic expertise.

The Revolutionary Council said today that the situation had "seriously deteriorated". This was because of the weakness of the administrators of the country.

What is essentially an inter-army squabble—the graduates of one class against those of a class two years previous to them—has left the people of Bangkok unmoved.

There were unconfirmed reports of clashes between the Army and the Navy in southern Thailand today but otherwise the coup, if that is what it eventually turns out to be, will have been a relatively painless one.

## World view: Arrigo Levi examines key area of Reagan policy West needs joint strategy for Middle East

The United States, Europe and Japan can and must adopt a coordinated strategy for action in the Middle East, covering all the main problems and crisis points in the area, from the Mediterranean to the Gulf.

This is the main assumption of a report—The Middle East and the Trilateral Countries—which was submitted to Washington this week to the annual conference of the Trilateral Commission. The four authors—Garret Fitzgerald, the Irish Opposition leader, Dr Joseph Sisco, former American Under-Secretary of State, Mr Hideo Kitahara, the former Japanese Ambassador to France, and myself—later explained their report to the press.

The 75-page document, which comes at a time when the Western alliance is threatened by misunderstandings and tensions, and when the Middle Eastern policies of the Reagan Administration still appear to be largely undefined, points out that while the trilateral countries share common interests and outlooks, there has not been a common approach to the Middle East and the Gulf.

The document indicates the main lines of a plan for co-ordinated action and policies of each country are not necessarily identical. "Close and regular consultations", which might have to be achieved through the creation of new institutional links between the trilateral countries, are considered "a matter of high priority in the years ahead", in order to develop "complementary policies" and avoid divisions.

The report, which is the result of nine months of research, in the course of which members of the task force met most of the political leaders of the Middle East, suggests a "step by step" approach to the Arab-Israeli question.

It endorses the main principle of the Camp David agreements—that of a transitional period of "autonomy" for the occupied territories—and it considers that the United States should still be the mediator in the dispute. However, the report indicates possible ways and aims of a separate, co-ordinated European initiative.

It points out that the European approach to the Arab-Israeli dispute is to regain lost credibility in Israel if they are to have a positive influence in resolving the Arab-Israeli dispute. The report suggests "a special relationship be envisaged and proposed by the EEC between itself and a future community of Israel, Jordan and any Palestinian entity which might come into existence, expressed in such a

concrete way as to demonstrate a definite European political commitment to the stability and security of the area".

A European initiative might clarify some basic questions on the Palestinian Liberation Organization, including the point whether the Palestinians would be "willing to participate in negotiations with Israel, as part of an Arab delegation". Europe ought to use its prestige in the Arab world "to influence the Palestinian leaders towards an evolution of their policies that would facilitate a modification of the PLO charter (which still denies the possible existence of Israel)". But no European initiative must be presented as "an alternative which might undermine the US mediating role", the report says.

It indicates the following main "requirements for progress" in the Arab-Israeli dispute: "The Egyptian-Israeli treaty must be accepted and fully implemented; the autonomy arrangements called for in the Camp David agreements should be pursued, but autonomy under Israeli control is probably not a tenable alternative as an end result, just as 'indefinite continuation of Israeli occupation is... a prescription for war, not peace'".

As an inducement to "ultimate participation by the Palestinians and Jordan in the peace process", aiming at an "overall settlement" of the dispute, "the possibility should be explored of linking more closely the autonomy option and the so-called Jordanian territorial approach, with a view to intensifying negotiations after the Israeli election".

### Palestinian role in negotiations

A strategy for step-by-step peace should include the following elements: "Any Israeli plans for further settlements would be frozen at the outset; the West Bank would be returned in substantial measure to Jordan, subject to agreement on final borders; territory returned to Jordan would be linked to the East Bank, co-federally or federally, as part of a Jordanian-Palestinian state under the Hashemite kingdom.

Jordan would be expected to provide the opportunity for the West Bank Palestinian Arabs to exercise the right of self-determination after an appropriate period of years "provided the basic agreement has been implemented and tested on the ground to the satisfaction of Israel and Jordan and its constituent peoples". A role for the PLO, or individual members of the PLO, or Palestinian Arabs

from the West Bank and Gaza Strip in the negotiating process would be kept under active review in the light of their willingness or unwillingness to recognize in appropriate ways Israel's right to exist". The problem of Jerusalem should be tackled at a later stage.

The report recognizes that "ultimate Soviet acquiescence in peace" is required, and suggests that America "exchanges views with the Soviet Union from time to time", even though the conditions for a "more direct Soviet diplomatic role" do not exist.

A large part of the report is dedicated to energy policies and to policies towards the oil producing countries, as well as to the strategic measures which are necessary to maintain the global and local balance of power.

The report repeatedly makes the point that only a "co-ordinated strategy" made up of "a variety of coordinated actions and initiatives by many different governments in different fields" can offer some hope of stabilizing the fragile political structure of the Middle East, whose problems and conflicts may present "the most serious challenge in the 1980s to the economic viability and security of the trilateral regions and to the stability of the global balance of power".

It criticizes present Western energy policy, which seems still to be based "on the hope for a gradual and relatively painless passage" to an economy less dependent on Middle East oil. "The expectation of emergencies... ought to be brought into the medium and long-term energy strategies of the trilateral countries".

The credibility of Western energy commitments taken after the second oil shock cannot but be somewhat diminished by the swiftness with which they were undertaken.

The report strongly recommends that the trilateral countries support with all their material and "organizational weight" the process of technological, economic and political modernization of the oil producing countries, contributing to make "bad-quality development" less prevalent.

The ultimate aim of a co-ordinated policy by the trilateral countries is indicated as "the creation of a regional security system and a regional development plan supported by trilateral resources, know-how and political military power". But the report stresses that it may not be easy to build "a comprehensive system of political and economic cooperation between the trilateral regions and the Middle East nations". The modernization of these "three regions" must be one of the most difficult political enterprises in today's world. Although the instability of

this area has different roots, the report points out that the continuation of the Arab-Israeli dispute increases "the likelihood of convulsions and revolutionary change" and "complicates the attempt of Western powers to develop close and strong relations with the Gulf countries". Reaching a solution of the Arab-Israeli dispute is therefore necessary, though not sufficient to bring back stability to the whole of the Middle East.

On the balance of power and relations with the Soviet Union, the report says that to reestablish a stable, predictable East-West détente relationship, the Western democracies "will have to prove that they are able to contain the potential Soviet menace in the newly threatened areas of the Middle East" as well as to strengthen their position in the European theatre and maintain the global strategic balance.

### Detente founded on strength

Detente ("cooperative relations") remains the goal, but "adequate Western strength is the means to reach it". The report approves the "present American strategy" in the Middle East.

It implicitly endorses increased military presence of European powers east of Suez: "In addition to allied substitution in Europe and around Japan for redeployed American forces, the question must be asked whether the European and Japanese can leave it mostly to the United States to defend their interests (in the Middle East), or whether they should do something themselves by assuming a greater burden of defence in the Middle East itself... even a modest European assumption of responsibilities in the Middle East would be useful."

As its final point, the report emphasizes the need for increased consultations and coordination of efforts. It suggests that the definition of the interests and policies of the alliance become a collective exercise. To that end, there is a need for a careful look at the adequacy or inadequacy of existing institutional structures.

"Mutual suspicions and misunderstandings are recurrent, not to demand some new effort at policy-coordination" to be made "with some urgency". A special task-force project on "sharing responsibilities among the trilateral countries" has already been undertaken by the Trilateral Commission and will lead to a new report next year.

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### Man in the news

## Press aide's impish humour mightier than the gun

From David Cross  
Washington, April 1

Mr James Brady, President Reagan's spokesman and the man most seriously injured in Monday's assassination attempt, as today reported to be making astounding progress in Washington hospital.

Mr Brady was shot through the head just above the eyebrow. The bullet, which passed through his brain causing what as first thought to be severe damage to it, was removed on his skull during a long operation. Soon after the luck he was so critically ill at reports began to circulate that he had died.

Yesterday Mr Brady, who is a tough, 40-year-old extrovert, began to show remarkable signs of recovery. His doctors say he is now able to speak, to breathe without a respirator and to move his left arm and

Mr Daniel Ruge, the President's personal physician, said at his hospital bed in a few days. His colleagues in the White House are, however, emphasizing that Mr Brady is still very seriously ill. Mr Ruge describes his condition officially as still critical.

Mr Brady was walking within arm's length of Mr Reagan on the stairs when the fatal shot was fired from the Washington Hilton.

was unfortunate enough to be in the direct line of fire when Mr Reagan and the man, and this was why he suffered the most extensive injuries among the four people shot in the attack.

The presence of Mr Brady's key figure close to the President has become a familiar sight when Mr Reagan travels. Mr Brady has been by his side the White House, Irony, when he was appointed to post of chief spokesman for President, not long before Mr Reagan made a final point of being at his side when the President's television cameras would be in the world to know when he self-deprecating humour skill.

In the few weeks that he has been installed in the White House, Mr Brady has earned respect of Mrs Reagan, who was widely reported not to have been keen on his appointment. At one time, when other more highly lifted candidates were being reviewed for the job of White House spokesman, the First Lady was reported to have disparaging remarks at his unphotogenic features, as they stood in the back and more carefully, President Reagan and his senior



Mr Brady on the day he was made Press Secretary.

advisers need not have been quite so concerned about Mr Brady's abilities. A native of Centerville, Illinois, Mr Brady has spent most of his adult life working in politics.

As a 20-year-old he worked for the election campaign of Senator Everett Dirksen, who was then Minority Leader of the Senate. He served later as press aide for Senator William Roth, the conservative Republican from Delaware, who was co-author of the original Kemp-Roth tax cut Bill, now adopted by Mr Reagan.

At the beginning of last year's presidential primary campaign, Mr Brady served as campaign spokesman for Mr John Connally, the former Governor of Massachusetts, who is now a senior political aide to Mr Reagan in the White House. Mr Brady has an impish sense of humour which did not at first endear him to all those close to the President, including the First Lady.

The memory of one particular incident always brings smiles to the faces of reporters who covered the final stages of Mr Reagan's election campaign. Just after the Republican candidate made one of his more unfortunate off-the-cuff remarks about trees causing more "pollution" than car exhausts, Mr Brady teased reporters in the President's campaign aircraft with the cry "Killer trees, killer trees" as they passed over a forest.

When Mr Nolte told Mr Reagan after last November's election that he did not want the job of press secretary, the President-elect's advisers interviewed all sorts of well-known journalists and others for the post. They all declined the offer.

When he eventually got the job, in a gesture which now has become an instantly overtones, Mr Brady told Mr Reagan that he did not want the job of press secretary, the President-elect's advisers interviewed all sorts of well-known journalists and others for the post. They all declined the offer.

As he still lay critically injured in a Washington hospital today, the joke no longer seemed funny.

## Unicef will fight Central Africa child mortality

From Ian Murray  
Bangui, April 1

Unicef committed itself today to a huge and urgent investment in the future of the Central African Republic. Mr. James Grant, the director general of the United Nations children's fund, ended a five-day tour of the country with the signature of an agreement on cooperation which he promised to transform into practical aid in the shortest possible time.

He said that the country had an infant mortality rate of about 200 deaths per thousand births within the first year. "This means that tens of thousands of children are dying each year. This is really an acute, silent emergency."

After four days of visiting hospitals, schools and what might be defined as government projects both in Bangui and in the surrounding countryside, Mr Grant was shocked by the appalling conditions.

The country's main hospital is filthy and overcrowded. Its equipment is antiquated and its medicines are inadequate and often outdated. In the maternity home, mothers sometimes have to share beds. In children's wards the mother often is found kneeling by little cots with two children in them, virtually swamped by them.

In the countryside things are, if anything, worse. Medical staff are a rarity and equipment almost non-existent. Unwanted children are thrown out into the bush to starve or fend for themselves. Boys scavenge, beg and steal. Presentable girls haunt hotel foyers as prostitutes.

These signs of appalling poverty and neglect are everywhere where there are plenty of fish and the soil and climate favour agriculture on a large scale. Game is still available, and the population at three million is such enough to be able to survive on the land.

In addition, the country is rich in minerals, especially diamonds, but these have contributed little more than to the wealth of a few. The get-rich-quick settlers. After independence, they helped to give delusions of grandeur to self-appointed Emperor Jean-Bedel Bokassa.

With a French help the Emperor was toppled and President David Dacko installed as a caretaker head of state. With the participation of French jurists, a new constitution was drawn up which was put to the country in a referendum and accepted. The people voted for a president and confirmed M Dacko in office for a six-year term.

### Swiss miss

Zurich, April 1.—Swiss newspapers are demanding a full investigation into the failure of Switzerland's German-language television network to report the Reagan assassination attempt. Monday's late film was not interrupted.

The Royal Mail is publishing, free of charge, copies of a series of articles specially commissioned from independent experts on the distribution of small freight and parcels. Here is a précis of the ninth in the series—written by Dr. Bernard Warner, a leading consultant in transport and distribution.

## Costing the delivery of small consignments.

Almost every business needs distribution facilities, and executives must choose carefully between using their own vehicles, hiring a professional carrier, or a mixture of both. "Own vehicles" are likely to be more easily controlled, but professional carriers can be more efficient; the choice between the two is usually based on cost-effectiveness, decided on size of load and nature of journey. When a load occupies the entire capacity of a vehicle, the financial comparison is easy to make; this Table shows a typical example.

Journeys per year			Annual Cost	
Loaded one way	Loaded both ways	Total	Using own vehicle	Using haulier
170	50	220	22,550	24,500
220	0	220	22,550	22,000
100	50	150	19,719	17,500

Sensitivity of cost comparison to vehicle utilisation, based on annual costs for handling 10-ton loads over a distance of 100 miles.

This example illustrates measurement of the total cost of using own vehicle and driver (long run avoidable cost), relevant to the decision of whether to invest in a vehicle and driver. However, the extra cost (short run marginal cost) of using the vehicle to deliver the companies goods will be substantially less. A clear understanding of the role of these two costs is vital to sensible decision making.

When assorted consignments share a vehicle's journey, however, delivery costs are harder to calculate; but such a calculation is crucial to profitability. Transport managers need to know the costs of delivering individual consignments to decide whether or not to make use of a professional carrier. This decision must take into consideration not only the size of the load but also the journey's distance to the delivery area (i.e. its "turn"). As an example, these Tables show a method for such calculation.

Standing charge (including driver) per day	£47.80
Running cost, pence per mile (ppm)	14.76p
Average loading of vehicle	2000 kg
No. of drops	15
Single journey stem mileage	50 miles
Average speed on stem	40 mph
Average four mile drop	4 miles
Average speed on tour	20 mph
Delivery time per drop	3 min. + 6 min./100 kg
Total delivery round mileage	184 miles
Total cost for round	£74.95

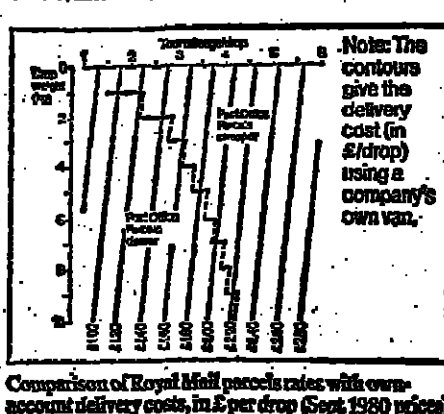
Characteristics of delivery round with a 3-ton van.

Standing charge (9 hours) driver	8.85p/minute
Stem cost out and back (= 180 x 8.85 + 120 x 14.76)	3364p
Stem cost/kg (= 3364/2000)	1.682p/kg
Tour mileage cost/drop (= 12 x 8.85 + 4 x 14.76)	165.2p
Total delivery cost of one consignment (= 3 x 8.85 + 0.06 x 8.85/kg)	26.55p + 0.53p/kg
Stem cost	1.682p/kg
+ Tour mileage cost	165.2p
+ Delivery cost	26.55p + 0.53p/kg
	= 191.7p + 2.21p/kg

Calculation of delivery cost per consignment, based on identical data.

Delivery of an extra consignment with the load will further complicate the financial calculation. If the extra cost is substantial, it becomes more economical to deliver the additional item via a carrier.

Managers need to compare long-run delivery costs with the published tariffs of carriers (for example, Royal Mail for parcels or a goods haulier for consignments up to 1000 kilos). There is usually a specific point where employing a professional carrier becomes less or more economical; a method of plotting the comparison is shown here.



Comparison of Royal Mail parcels rates with own account delivery costs, in £ per drop (Sept 1980 prices).

The practical conclusion is that if a substantial proportion of a company's consignments weigh less than 10 kilos, on rounds where the tour mileage per drop is above the dotted line, then the company should consider using the Royal Mail to deliver those consignments.

The high costs of delivery can make it unprofitable to accept small orders. There are various answers to this problem—for example, delivery charges or non-acceptance of low-value orders or less frequent deliveries—but these can have serious marketing consequences in terms of goodwill. Using the Royal Mail parcels service for consignments up to a certain weight level can turn these into profitable orders, particularly if a parcels contract is negotiated.

The Ken Woolley, Room 127, Postal Marketing Department (PAK-9), FREEPOST (no stamp required), 22/25 Finsbury Square, LONDON EC2A 2DQ

Please send me... copies of the full article: "Costing the delivery of small consignments" by Dr. Bernard Warner. I would also like copies of the previous articles in this series.

(Indicate numbers required in boxes) D/89/5758/1

- ☐ Own vehicle fleet costs versus carriers' prices
- ☐ Packaging costs versus the costs of replacement
- ☐ Opening and developing an export market
- ☐ The future role of depots in a distribution network
- ☐ Entering the mail order market
- ☐ Mail order and Parcel
- ☐ The use of credit cards in mail order

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### Prisoners free hostages

Assina, Sicily, April 1.—The prisoners who took 18 Italian hostages at Gazi jail here yesterday—later releasing 15 of them—were remaining 15 during the night and surrendered to the authorities. The hostages were armed.

The prisoners had been granted the right to speak to their wives. Prison administrators said their demand to remain in Sicilian prisons. Agency Press.

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## Herr Genscher to sound out Moscow

From Patricia Clough  
 Bonn, April 1

The Soviet Union's intentions on arms control talks will be sounded out by Herr Hans-Dietrich Genscher, the West German Foreign Minister, in Moscow tomorrow and Friday. He is also expected to press the Soviet leaders for caution towards Poland and in the Third World.

Herr Genscher is one of the very few Western statesmen to visit Moscow since the invasion of Afghanistan. And Herr Helmut Schmidt, the Chancellor, who went there himself last summer, has felt it necessary to defend their contacts with the Soviet leadership.

In a difficult East-West situation, Herr Schmidt told the Social Democratic parliament party last night, it was more necessary than ever to keep a dialogue going.

The West Germans have thoroughly consulted their allies before the visit, but the Chancellor emphasized that Herr Genscher was not going as a representative of the West. Herr Genscher will want to know particularly whether the Soviet Union is prepared to get down to negotiations on reducing medium-range nuclear missiles, even though President Brezhnev's proposal for a moratorium on these weapons has been rejected by the West.

The Germans feel that a moratorium would only serve to consolidate the Soviet Union's superiority in this area with its three-headed SS20 missiles. Recent efforts by Soviet emissaries here to influence German public opinion in favour of a moratorium have greatly irritated the Government.

Herr Schmidt insisted in the Bundestag today that the present imbalance was a serious threat to peace. He confirmed the Government's firm support, despite growing objections from a minority within the coalition parties, for the NATO decision to produce and deploy corresponding missiles while offering talks on reducing their numbers. Herr Genscher will doubtless say the same to Mr Brezhnev and Mr Andrei Gromyko, the Foreign Minister, in Moscow.

Official sources say that the minister will also try to find out what Mr Brezhnev wants from the West in return for his offer to extend East-West confidence-building measures to the whole of the European part of the Soviet Union. He will also try to find out what Mr Brezhnev wants from the West in return for his offer to extend East-West confidence-building measures to the whole of the European part of the Soviet Union. He will also try to find out what Mr Brezhnev wants from the West in return for his offer to extend East-West confidence-building measures to the whole of the European part of the Soviet Union.







Law Report April 1 1981

Privy Council

Prudence Glynn

## Admissibility of signed statements

Ajdoha v The State  
Chandree v The State  
Fletcher v The State  
Noreiga v The State

Before Lord Keith of Kinkel, Lord Simon of Glaisdale, Lord Bridge of Harwich and Sir William Douglas.

In a criminal trial the prosecution tenders in evidence a written statement signed by the defendant. The signature is an acknowledgment and authentication of the statement, and the voluntary character of the signature is a condition of its admissibility. The question of its admissibility is determined by the trial judge.

The Judicial Committee delivered its reasons for its decision on March 5 to allow the appeals of the defendants, Seeral Ajdoha, Paul Chandree, Dennis Fletcher and Lincoln Noreiga against the dismissal by the Trinidad and Tobago Court of Appeal of their appeals against convictions for murder. Ajdoha was tried at San Fernando Assizes in 1973 before Justice McMillan and a jury, and Chandree, Fletcher and Noreiga were tried before Justice Braithwaite and a jury in 1976. The Court of Appeal dismissed the appeals of the four defendants in 1977. Their appeals were heard together by consent.

Mr. Justice Goff, QC, for all the defendants, said that the Crown had failed to establish that the statements were signed by the defendants. Mr. Justice Goff said that the Crown had failed to establish that the statements were signed by the defendants. Mr. Justice Goff said that the Crown had failed to establish that the statements were signed by the defendants.

LORD BRIDGE said that the two trials took place at the same time and place. At Ajdoha's trial the charges of murder, robbery and rape were the only evidence against him. He had been charged with the murder of a woman. He had been charged with the murder of a woman. He had been charged with the murder of a woman.

Similarly, at the trial of Chandree, Fletcher and Noreiga, charged with the murder of a woman. He had been charged with the murder of a woman. He had been charged with the murder of a woman.

Queen's Bench Division

## Pilot's duty to give seat belt warning

Goldman's Thai Airways International Ltd.  
Before Mr. Justice Chapman  
[Judgment delivered March 31]

The liability of an airline for injury to a passenger during an international flight is governed by the Warsaw Convention as amended by the Hague Protocol in 1955. The Convention provides that the carrier is liable for damage to passengers, baggage and cargo.

Article 21 of the Convention, as amended, provides that the carrier is liable for damage to passengers, baggage and cargo. The Convention provides that the carrier is liable for damage to passengers, baggage and cargo.

His Lordship said that on July 1, 1977, Dr. Goldman was a passenger on an airplane. He was a passenger on an airplane. He was a passenger on an airplane.

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likely to be inseparably linked. It could be said that in considering the issue of admissibility the judge is in a position to consider the issue of admissibility. It could be said that in considering the issue of admissibility the judge is in a position to consider the issue of admissibility.

(1) Where the defendant admitted making a statement (orally or in writing) and raised the issue of admissibility, the judge was bound to rule on admissibility, and if he admitted the statement, he was bound to consider the issue of admissibility.

(2) Where the defendant (as in the instant case) denied authorship of a written statement but claimed he signed it involuntarily, the judge was bound to rule on admissibility, and if he admitted the statement, he was bound to consider the issue of admissibility.

(3) Where the evidence tendered (or proposed to be tendered) by the prosecution indicated that the circumstances in which the statement had been taken could arguably lead to the conclusion that it was obtained by fear of prejudice or hope of advantage, then, irrespective of the evidence challenge to the evidence, the judge was bound to rule on admissibility, and if he admitted the statement, he was bound to consider the issue of admissibility.

(4) Where on the face of evidence tendered by the prosecution there was no material capable of suggesting that a statement was other than voluntary, and the defence was an absolute denial of authorship, the judge was bound to rule on admissibility, and if he admitted the statement, he was bound to consider the issue of admissibility.

It would be wrong for their Lordships to accede to the state's invitation to uphold the defendant's convictions on the sole ground that he had not made a formal objection to the admissibility of the confession statements. Even if a point of law could only be taken at this stage, it would be wrong for their Lordships to accede to the state's invitation to uphold the defendant's convictions on the sole ground that he had not made a formal objection to the admissibility of the confession statements.

LORD JUSTICE OSMOND said that the applicants, with two others, were called to appear before the court on March 19, 1980, to answer a joint charge contrary to section 25 of the Theft Act, 1968 (possession of stolen goods).

Order 94 rule 1(1) provides: "Where by virtue of any enactment the High Court has jurisdiction to make an order for the appointment of a receiver or manager of the property of a company, the court may also make an order for the appointment of a receiver or manager of the property of a company."

University news  
Newcastle  
Appointments  
The Department of Health and Social Security has announced the appointment of Dr. R. L. McCullum to the chair of occupational health and to the headship of the department of occupational health and hygiene at Newcastle University.

advisers of the all-important safeguard of a trial judge's ruling as to the admissibility of the central evidence in Ajdoha's case. The judge's ruling as to the admissibility of the central evidence in Ajdoha's case. The judge's ruling as to the admissibility of the central evidence in Ajdoha's case.

Their Lordships would not attempt to lay down an exhaustive code of proper procedure at jury trials in circumstances where a question of admissibility might arise. But it might be helpful to practitioners to indicate the appropriate procedure in common situations.

(1) In the normal situation arising in the majority of trials where admissibility is a question, the judge would be asked to rule on admissibility, and if he admitted the statement, he was bound to consider the issue of admissibility.

(2) Where, although the defence raised an issue as to the voluntariness of a statement, the judge would be asked to rule on admissibility, and if he admitted the statement, he was bound to consider the issue of admissibility.

(3) Where a defendant himself in giving evidence raised for the first time an issue of voluntariness of a statement already in evidence, the judge would be asked to rule on admissibility, and if he admitted the statement, he was bound to consider the issue of admissibility.

It would be inappropriate to order new trials in cases where the defendant had not made a formal objection to the admissibility of the confession statements. Even if a point of law could only be taken at this stage, it would be wrong for their Lordships to accede to the state's invitation to uphold the defendant's convictions on the sole ground that he had not made a formal objection to the admissibility of the confession statements.

That a legal pantomime took place because of a delay of seven minutes was deplorable. There had been a technical failure, but that did not require the issue of a warrant. The most that could be said was that the delay was a technical failure, but that did not require the issue of a warrant.

A considerable backlog had developed in such applications. The backlog had developed in such applications. The backlog had developed in such applications.

Leeds  
Robert Dickson, clinical reader in the Mufield department of orthopaedic surgery at Oxford University, has been appointed professor and head of the new department of orthopaedic surgery.

## Marathon woman, outpacing the old style libber

Ten years ago it would have been a person's race: last Sunday it was a people's race. Thus has hurdling the class barriers overtaken those constructed from discrimination. Worse, to the minds of disillusioned feminists, must have been the fact that the first woman home in the London marathon was an attractive, self-confessing housewife and mother who carried no placards and looked like you and me, if rather fitter, and that another finisher interviewed on television has four children and dismissed politely and succinctly the insinuation that she was a plucky little woman or somehow extraordinary.

"Women use children as an excuse," said Mrs Barry. They really wanted to be they could easily find ten minutes a day to train."

The situation deteriorates further with pictures of Mrs Barry looking neat, trim and pretty but apparently, like any sensible woman, wearing a bra she sprouts round the lovely suburbs.

I do believe that there were one or two weird, wild spirits who moved on from being head of school, captain of the lax team and generally admirable and splendid young women to University. We gawped at them for we were being trained for School Certificate and in this context as I shall now explain. The great feminist movement was orchestrated in the Sixties and it relied on good, free education and the arrival of the Pill. That cop-out from the centuries-old source of sexual black-mail, the vapours and a generally rather handy matter of wielding power behind the throne succeeded me slightly but effectively.

Since school I have played no part in any female organization. I have not fought for the right to buy drinks in ill-decorated and uncomfortable surroundings because I have been informed that I may not. Indeed, were I to take a stand on the operating of licensed premises, it would be to whine about not being allowed to take my children in for a snappy bar-food lunch with orangeade and a glass of wine for myself; instead of having to leave them in the car or sit in the disused billiards hall (true, Alastair).

I continue to be underpinned when I think I need it by Weiss in Shaftesbury Avenue because that is where you get not only the best underpinnings but also overheard the most illuminating conversation from other customers. I have been quite firm, though, about City dinners, the sort of dinners at which the women are segregated and then allowed as a great treat to listen to the speeches, but this is because experience has taught me that the conversation will be about washing machines, the food foul and the drink inadequate. In the same way I never patronize clubs with ill-defined sexist rules since I was snubbed by a publisher in the Centre for stepping across a more than usually threadbare bit of their carpet. May his list of authors shrivel and his best sellers be remembered.

It is therefore with a high degree of detachment but without any malice that I withdraw the warrant or leave it standing. They chose the latter and I am not going to attend the police station to be formally bailed to September 19. On that date the clerk, Mrs. [Name], said that the warrant was not to be issued. The warrant was not to be issued. The warrant was not to be issued.

Thankfully it is only close friends and family who are likely to demand feeding at short notice. Not that they demand of course. But as protestations of going somewhere for a bite fade into mumbled about not going to too much trouble, and who has not wondered how to stretch two chops between six?

Since not everyone has a freezer with anything suitable in it, or Parma ham slung from the rafters, or a side of smoked salmon somewhere handy, there is still a case for keeping a few well chosen tins in the back of the store cupboard.

Fancy tins of things, particularly made up dishes like coq au vin, can be very disappointing, and for more than two people costly. But, basics like tomatoes, beans, tuna, anchovies, ham and mushrooms are much more versatile in an emergency. Even instant mashed potato will rise to an occasion if made with extra care and butter or cream.



Dedicated females every one: from top left, Barbara, Kate, Pru, Dawn, Jill and Avril

have observed the efforts of the women's liberation groups. I would question some of their most publicized priorities and others, I would say, were downright silly. Much later feminist writing has disparaged the women's movement as a mere fashion. The brilliantly researched thesis book and felt free to bore us all with her own, not other people's, views. But the Virago Press, for example, is superb, a true publisher of examples.

I suppose that it is because basically I wish women well in their efforts to fulfill themselves that I feel so dependent in recording my reactions to the invitation to join yet another female ghetto. Oh yes, they do keep on asking me despite my pallid record, but then as one of the speakers at the inaugural meeting pointed out, you do sometimes wonder whether the only real test of success is longevity, and the tendency for women to form groups is long indeed.

"Network", founded by Irene Harris, is "an association for women in the Professions, Industry and the Arts." It costs three times as much per year as an American Express card and its most tangible benefits to date appear to be a similarly inclined opportunity for travel and goods bargains.

I heard three statutory inaugural speeches - practical, no nonsense, tailored suit approach - a very funny, wry, well delivered number from a successful mother starting late in the race for the key to executive washroom, all of which I had heard before, and a breast-baring gabbler from an agony aunt which certainly caused me some pain. It was all about guilt, surely working mothers have come to terms with the fact that guilt is the gin on the gingerbread by now.) The only remark that rang true was that if you are going to be successful you should not expect to be liked.

As I have pointed out in this column before, wanting to be liked, that is thought nice, is a mistake, since niceness is one of the many deadly virtues and wastes a lot of other people's time. You know where you are with somebody who is nasty and doesn't mind that you know it.

The admirable though basically unsound *raison d'être* of Network though is that we who have arrived should stretch out the helping hand literally and metaphorically to our struggling sisters. They must be lonely. Let women make their own way if they want to or come out and get stabbed in the back along with the fellows.

So altogether, while I commend the aspirations of Network, I think it is as misguided-headed in its thinking as its writing paper. This she shows with well-matched hands shaking with the right hand wearing the plain gold wedding band. Perhaps the good lady is wedded to her profession? Otherwise the nails look to me more suitable for scratching out eyes than changing the nappies, leaving the garden or scrambling for the Tube fare to work.

Much funnier, not so difficult because women generally are most unfunny, and much more poignant is a piece by Sally Beauman in the current issue of *Harper's Queen*.

This first person account of a meeting with an erstwhile ardent feminist is so true to life, so minutely observed and so terribly sad that it provides a painless death for a faithful old chum, Women's Lib, now betrayed, deserted by so many, passed by even in the London marathon, those of its ranks who once carried condoms over the Irish border now turning to Christ!

For where, asks Miss Beauman's anti-heroine, Jude, where are the certainties? The bliss of unfettered sex and fights over Vietnam and doing your own thing with nappies cooking? Above all, most terrifying how to scale The Wall, that seemingly impossible barrier which hits marathon runners at 18 miles and frisky females at 40 years of age?

Dear Jude, dear sister, in this at least I can reach out to you. Believe me, for you must believe it for yourself, that every year makes you more attractive, interesting, developed in your skills, whether they be for running a vast corporation or knitting sweaters. The only reason women should fear age if they truly are liberated and have escaped from the crushing cliché that men are seduced by the eye and women must be content with the ear - is that they fear the loss of their youth, the portion of their allotted span, that there is something they have not done.

Calm down, Men feel just the same jumpiness: it is natural person feeling. I say that blandly because I simply cannot think how I could have crammed in any more. And now... but where are my specs?

## Standbys to welcome boarders



The Times Cook  
Shona Crawford Poole

Thankfully it is only close friends and family who are likely to demand feeding at short notice. Not that they demand of course. But as protestations of going somewhere for a bite fade into mumbled about not going to too much trouble, and who has not wondered how to stretch two chops between six?

Since not everyone has a freezer with anything suitable in it, or Parma ham slung from the rafters, or a side of smoked salmon somewhere handy, there is still a case for keeping a few well chosen tins in the back of the store cupboard.

Fancy tins of things, particularly made up dishes like coq au vin, can be very disappointing, and for more than two people costly. But, basics like tomatoes, beans, tuna, anchovies, ham and mushrooms are much more versatile in an emergency. Even instant mashed potato will rise to an occasion if made with extra care and butter or cream.

Rinse the beans under the cold tap, drain them well and put them in a bowl with the drained, flaked tuna. Put the olive oil in a small screw-top jar with the lemon juice or vinegar, salt and pepper, and shake well together.

Pour the dressing over the tuna and beans and mix them lightly together. Turn the mixture into one large serving dish or several small ones. Separate the onion rings and arrange them on top of the salad. Decorate it with a little chopped parsley.

Use half the butter to grease six small ovenproof cocotte dishes. Arrange the tomatoes in the cocottes or roasting tin and pour in boiling water to come halfway up the sides of the cocottes or tomatoes. Bake the eggs in the centre of a preheated moderately hot oven (200/400°F, gas mark 6) for seven minutes or a little longer. The whites should be set and the yolks still a little runny. Test them after seven minutes by tapping the sides of the dishes and give them a little longer if they are not quite done.

Serve *oeufs en cocotte* immediately with crusty bread or fingers of brown or white toast. Because it is freshly cooked, spaghetti with mussels is not a dish that looks or tastes as if it comes from a tin and packet. Mussels can be bought in tins. Precise quantities are not vital to the success of this recipe, which serves three as a main course and up to six as an appetizer.

**Tonno e fagioli**  
Serves six to eight  
2 x 400g (14oz) tins white kidney beans, or other white beans  
200g (7oz) tin tuna packed in olive oil  
5 tablespoons olive oil  
1 to 2 tablespoons fresh lemon juice or wine vinegar  
Salt and freshly ground black pepper  
1 small onion sliced in thin rings  
1 tablespoon chopped parsley (optional)

3 bay leaves  
285g (10oz) tin mussels, drained  
340g (12oz) spaghetti  
Heat the oil in a saucepan and add the garlic. Fry it for a moment or two before adding the tomatoes, salt, pepper and bay leaves. Break up the tomatoes with a wooden spoon and bring the sauce to the boil. Reduce the heat and simmer, uncovered, while the spaghetti cooks.

Bring a large pan of salted water to the boil and add a few drops of oil. Boil the spaghetti in the water without allowing it to come off the boil. Boil the spaghetti briskly, without a lid, until it is almost tender but still has a little bite in the centre of each strand. Drain the pasta and up it into a large, heated serving bowl.

Add the mussels to the tomato sauce and simmer for a moment or two until the shells are hot. Fish out the bay leaves and pour the sauce over the spaghetti.

**Baked ham and asparagus**  
Serves six  
15g (½oz) butter  
12 thin slices cooked ham, fresh, vacuum packed or tinned  
24 cooked asparagus spears, fresh, frozen, tinned or bottled  
300ml (½ pint) single cream  
Salt and freshly ground black pepper  
45g (1½oz) finely grated Parmesan cheese  
Butter a shallow ovenproof dish just large enough to hold all the ham and asparagus rolls in one layer without too much room to spare.

Place two asparagus spears on each slice of ham. Top the asparagus with a teaspoon of cream, a little salt and pepper and a teaspoon of grated Parmesan. Roll up each slice of ham round its asparagus filling and arrange the rolls in the prepared dish. Pour the remaining cream over the dish and sprinkle the top with the remaining Parmesan.

1 large onion, finely chopped  
1 clove garlic, finely chopped  
topical  
680g (1½lb) cooked potato, fresh or tinned  
340g (12oz) tin corned beef, drained  
225g (8oz) tin tomatoes, drained  
1 large egg  
Salt and freshly ground black pepper to taste  
½ teaspoon dried rosemary  
1 tablespoon chopped parsley

Melt half the butter in a heavy frying pan and add the onion. Fry it slowly until it is tender and the onion is beginning to brown, adding the garlic just before the onion is ready. Transfer the onion to a large bowl and add the cooked potato, corned beef, tomatoes and drained corned beef. Break up the tomatoes and add them to the bowl with the egg, salt and pepper, rosemary and parsley. Mix the whole lot thoroughly together.

Melt the remaining butter in the frying pan and when it sizzles up in the hash and fry it gently until a golden brown crust develops on top. If you have a well seasoned or non-stick pan it should be possible to turn the hash without breaking the crust. Place a large dish over the pan and holding plate and pan together, turn the hash on to the plate then slide it back into the pan. If the hash has stuck, turn it over in sections and pat it back into shape. Fry the second side until it is golden brown and the middle of the mixture is cooked.

Serve it immediately with green beans, a crisp green salad, or with a tomato salad.

**Zabaglione**  
Serves four  
4 egg yolks  
4 tablespoons caster sugar  
8 tablespoons dry marsala or sherry  
Combine the egg yolks and sugar in a large, deep bowl and whisk them until the mixture is pale and light. Place the bowl over a pan of hot but not boiling water and whisk in the wine. Continue whisking the mixture until it froths and swells into a dense foam. Divide the zabaglione between four wine glasses and serve it immediately with a crisp biscuit or wafer.



Interception of mail aroused much less public interest than telephone tapping because fewer people knew it went on, but the amount of interception taking place was enormous. Mr Lau Wai-kei, a Tower Hamlets, Beth-

[illegible]

on telephone tapping from the Bill. The clause was inserted against Government advice during the Standing Committee deliberations.

He said there were six agencies, called requesting agencies, who could demand the interception of

taps was asked whether he had the right to sue the Government if they could show that the reason for the tap was invalid.

The number of taps in this country had trebled in the past 20 years. He did not believe that the number of people seeking to

which contained the grievance which at present governs the operation of tapping. It was necessary to deter and prevent anyone who illegally taps someone's telephone.

He did not believe that such a suit of the authorities

mail. They sent a request to the main post office to have any mail addressed to the given address intercepted and copied.

It was real James Bond stuff—a real bit of spy fiction. There was in London alone 400 addresses to which addressed mail was intercepted on a permanent basis. In addition there was a large number of additional addresses to which mail was addressed which was intercepted on a short-term basis. The offices of trade unions whose members were on strike, or the offices of some of the newspapers might be arranging a demonstration.

For the whole country the number of people picked up and copied was very large.

The whole feeling among people, including some of its striants, that they might have their telephones tapped, would be reassured if they knew anyone illegally tapping was in fact the severest penalty for taking responsibility for taking up the matter with the Director of the Attorney General.

A reporting-back procedure should not be enshrined in law.

He asked for an undertaking from the Home Secretary—people were discovered in capturing, monitoring, and stronger penalties would exact than a fine of £5 or 10.

Whereas the security services were expert at the mechanics of interception, coding, and the cameras hidden in cigarette lighters and bugs in toe caps, politically they were a bunch of little boys.

I would not trust any of them (he said) to make a political judgment.

He would be obliged to adjudicate, to enable the court to determine the material relevant to the question would have to be exposed in evidence.

He would include all the information available to him, some of it of a most sensitive nature derived against published criteria preserving an essential of the public interest. He would not justify unjustified interceptions as an informant against the revelation of the source.

No one who had read Lord Lock's first report could do

service and the mail service, a matter of great importance to all. The two services provided a universal means of communication for the whole nation, and the telephone system in particular provided the most convenient and quickest means of communication.

people in some cases whose lives would be endangered if their part were known or even suspected by the dangerous men against whom the interception was sometimes employed.

Before he signed a warrant, and this was a responsibility he could

bill of health and his com- checks on individual cases - vided a valuable new saf against any departure from published principles.

The Post Office and the Telecommunications Corp would not out the confide

possible. "It provides (he said) the ideal means of communication for the criminal and spy who wishes to communicate with his associates.

What was at issue was not the need for interception as a weapon against the criminal, but rather that the weapon was controlled to ensure that the power to intercept communications was exercised only in clearly justifiable cases. In this sense, the law was limited to what was strictly necessary.

A balance had to be struck between the needs of the community in the prevention and detection of crime and the rights of the individual whose privacy might be infringed.

The question was whether the balance was being correctly struck

not delegate," he said to be satisfied that the law was in accordance with the criteria set out in the White Paper published a year ago.

That meant he must be fully and frankly informed of the basis for suspicion against the individual concerned, including information which should on no account be revealed, least of all to that individual.

If he was to be frankly informed about such secret matters, he must be in a position to keep the secrets secure.

How then could he permit such information which he would not reveal to the House to become a matter of evidence in a court? Yet that was the question which the statute that was what must happen, for it was the essence of the judi-

cial process that the judge should hear the evidence and decide whether the customers at risk by a warrantless interception were acting in accordance with the law. It was not in their customers' own interests that they should be warned of the interception except in cases where they required them to and where the interception was not a criminal offence if they did intercept except in a warrant.

For the police, it was sufficient to say that the court said: "The Commissioner of the Metropolis would not in circumstances that in pursuance of a warrant of the Secret. State."

The same applied to other officials of police and for the civil police officer to un- derstand the law. It was not a serious disciplinary or those arrangements provi-

rather that the weapon was controlled to ensure that the power to intercept communications was exercised only in clearly justifiable cases and that the use made of it was limited to what was strictly necessary.

A balance had to be struck between the need to ensure that the power to intercept communications was exercised only in clearly justifiable cases and that the use made of it was limited to what was strictly necessary.

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The question was whether for that balance to be properly struck the arrangements for the control of interception must be enshrined in legislation. There were on two sides two vitally important propositions—the first that if interception was to be effective it must be carried out in secret, and that the official character of it by its nature was an open process. It was the conflict between these two propositions which made it impossible to have a system regulated by an Act of Parliament and thus made subject to litigation without destroying its effectiveness.

Clearly a suspected bank-robber, drug-smuggler or spy should not know his mail or telephone was being intercepted at the time; it would be necessary to modify his behaviour accordingly.

It was equally important that the information which formed the case for interception should be kept secret. It would help the criminal to know how much the police knew about his activities and who was listening in. It would also tell him what would happen if the criteria for interception were laid down in an Act.

There was an essential feature of the constitutional system that what was laid down in an Act could be tested and enforced in the courts. It was not possible to say that although his telephone was being improperly intercepted could be

The same applied to other officers of police and to the vital police officer to an individual citizen. If he was a serious disciplinary case. Those arrangements provide safeguard against use of the law against the police equipment.

While I know that past allegations of unauthorized use have been made, I have seen no evidence of this being given evidence of it, assure the House that if I have any doubt about the unauthorized interception—I immediately take firm steps with it.

I give responsibility to legislation to magistrates, or some classes of judges, mean a consequential loss of control and control and control by the Commons. responsibility should rest with a single minister responsible. I Commons.

It would not be wise to take the example of other countries where the effectiveness and of interception had been retained. It would be a prospective notification, Secretary. This could not be recorded.

These provisions were unacceptable to the House of the Post Office, the key to the Secretary of State's was the procedure for arranging distribution of the White Paper, the monitoring of Lord Lock, were sufficient to reassure the public that the arrangement was in the hands of the public interest and, of vital importance, to safeguard the rights of

## Each tap an invasion of privacy







## Football

## Dalglish is trump card for Liverpool

By Norman Fox  
Football Correspondent  
Liverpool 2 West Ham 1

Liverpool's fear of losing the financial bonanza of European football was sufficient to bring them the League Cup for the first time after last night's exhilarating final replay at Villa Park. The opportunity to assure themselves of a place in next season's UEFA Cup, while still having a chance of entering the European Cup as holders, was taken after conceding the first goal and some of the control in the second half. Much of Liverpool's past experience surfaced in this final match that outshone the original game at Wembley. They recovered quickly after Goddard scored for West Ham United in the first minute and they made no more serious errors.

West Ham, for all of their effort, were tactically over-shadowed. Their best chance of victory came with breakaways and, in the second half particularly, they might have gained better reward if it was Liverpool's relentless and inventive progress in the first half that broke them and the wonderful skill of Dalglish that they could not master.

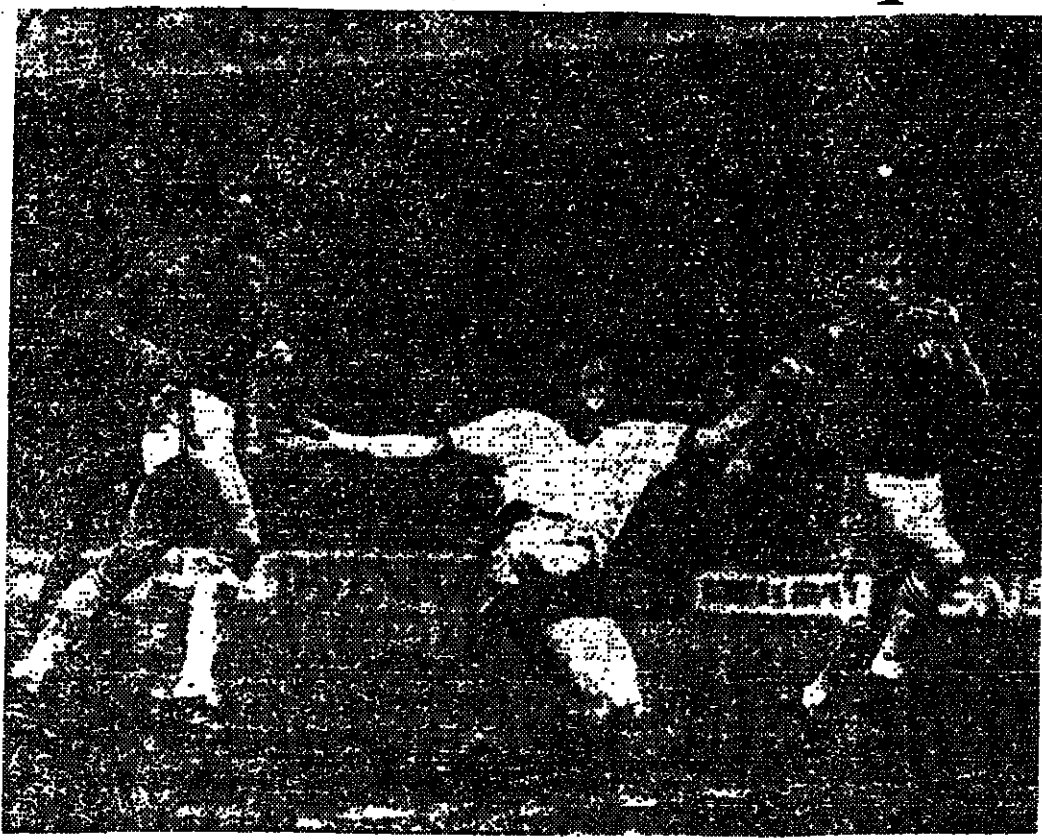
Although only the name of Rush, a young Welsh forward, was less familiar than the rest, the Liverpool team had undergone pre-match alarm with Souless, Johnson and Fairclough all unit and Highway falling a fitness test as late as yesterday afternoon. True, Thompson reclaimed his place in the defence, but the champions were not used to being so debilitated, even in this season of uncharacteristic snags.

Rush was both the initial hope and the cause of Liverpool's immediate discomfort. After he had shown a left foot to intercept, McDermott, the game's first promising opening in the West Ham penalty area, his intervention caused Liverpool's early, powerful attacking to be set back. Dalglish had twice given Parkes cause to save from a header and shot, and Rush was putting him under more pressure when he lost the ball.

The mistake allowed Brookling to send Neighbour tearing up the right wing. Hansen made an unsuccessful attempt to intercept, but further and centred to the near post where Goddard made a prodigious leap to head the ball into the net.

So Wembley's murder was a case of Liverpool's West Ham, with a long, rapid and typical breakaway in the tenth minute had snatched profit out of Liverpool's commitment to attack, and probably they thought they had found the key.

The current still flowed towards Parkes and it was unrelenting. Lee's driven volley extended Liverpool's lead, and the little midfield player's energy



Bonds (left) and Pike are helpless to prevent Dalglish equalizing for Liverpool.

put him in a position to give Rush time for a shot onto the angle of bar and post. Amid an atmosphere of intense expectancy that flowed off the high tarmac behind Parkes Liverpool were storming the West Ham goal. Ray Kennedy raised the decisive header still when heading over the cross bar before, after 25 minutes, Liverpool's crushing power was combined with delicate subtlety.

McDermott weighted a superb chip forward into the West Ham penalty area. Dalglish could hardly have been aware that an opportunity had been conceived behind his back, yet as the ball came over his shoulder he

was not to be deterred. With a piston, and rapped the ball into goal.

There was an inevitability about Liverpool's equalizer and they were not to be deceived. Rush, the new boy playing only his second senior game, was

placid and quick, giving Martin no time for considered clearance.

Whether Martin was fully recovered from his ankle injury was not something he had been prepared to admit.

Liverpool's goal was followed, four minutes later, by a second. This time Cape's corner found Hansen climbing high above the

defence as his header came down.

Dalglish and Bonds seemed to meet the ball almost together and the West Ham captain's knee unhappily deflected it into his own net and although Stewart lashed an enormous shot into Liverpool's side-netting West Ham finished the first half where they had spent a considerable time—penalty back at their own end.

Much as West Ham tried to compose attacks from the back and to find space behind the opposition's full back, they were victims of Liverpool's revived determination. Suddenly, Liverpool had seen their prize, but for some exceptional goalkeeping from Parkes, they would probably have

extended their lead early in the second half when Dalglish, now at his elusive best, was obstructed. McDermott touched the free kick to one side and Neal's drive was not only stopped in a full length dive by Parkes, but gripped and held.

The hope of West Ham was to break out while Liverpool were extended but when Martin was at the end of such a move he found

himself in a tight corner. Parkes, and Dalglish soon drew the game back into his range, a magnet to Liverpool's attacks, and Hansen climbing high above the

defence as his header came down.

Where Liverpool's experience told was in defence. As West Ham tried so bravely to revive, so Thompson blundered their hopes. The other defenders always looked to him and although Stewart lashed an enormous shot into Liverpool's side-netting West Ham finished the first half where they had spent a considerable time—penalty back at their own end.

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## Rugby Union

## England take time to discover the Trick of spreading their wings

By Peter West  
Rugby Correspondent

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## Squash rackets

## Bowditch's facade conceals so much

By Rex Bellamy  
Squash Rackets Correspondent

The British open championships sponsored by the common with Wimbledon changes character at half past mark. The first half more fun. The second half more serious. The first half more fun. The second half more serious. The first half more fun. The second half more serious.

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# Wanted: the clear cool minds of an inner Cabinet

Ronald Butt

The next six months should tell us whether the faith of the monetarists in the Cabinet, or their Keynesian colleagues' fear, has been vindicated. We should discover in that time whether the "bottoming out" of the recession is leading to the genuine recovery that Mrs Thatcher and Sir Geoffrey Howe discern in the business cycle, or whether the Keynesians are right to argue that adequate recovery will not come without the application of more Government money to public sector investment.

In the meantime, Cabinet government hardly operates with the neatness that appeals to the constitutional analyst, and the apparent failure of the Cabinet to give serious consideration to the question whether an industrial strategy is now necessary inevitably revives the opinion, particularly in the business world, that the Government organizes itself badly.

If only, it is said, the Cabinet were organized to give itself the chance to form a dispassionate and undogmatic assessment of the future and to devise a strategy, as businessmen do. Inevitably this leads towards the idea that what is needed is something like a board of directors, able to give a cooler and more hard-headed direction to policy because they were free of the minutiae of departmental pressures.

It is anything but a new notion. The idea of a "policy Cabinet" which could solve the problems that defeat a Cabinet of 20 mixed departmental and non-departmental ministers goes back to the early years of this century. This concept assumed that a Cabinet consisting of a few of

the most experienced and able ministers freed from departmental duties would be able to reach "correct" policy decisions in a way impossible for the present mixed-bag and large Cabinet. The management of departmental duties would be left to departmental ministers, who would in effect become executives rather than creators of policy. Not much imagination is needed, however, to see that such a system would strike at the very heart of the responsibility of ministers to Parliament. When a policy went wrong, or was challenged in the Commons, who would answer for it—the super-Ministers who had thought it up (and if so which one of them?) or the departmental drudge who was responsible for giving it flesh and bones?

This problem was not, of course, a serious obstacle for those who argued that the more Parliament and Cabinet were detached from each other the better. The idea would have been quite happy to see something of the American system of the separation of powers between the executive and the legislature imported into our Constitution.

But the separation of powers in the United States only functions as well as it does because the separation is genuine and provides for both the (executive) President and the (legislative) Congress to be separately elected by universal franchise—each having direct responsibility to the voting public.

A British Prime Minister and Cabinet, however, are not directly elected. The electorate can only reach them through Parliament, where they must have a majority. To do anything

to impair their obligation to answer to Parliament would be to strike at the heart of parliamentary democracy.

The more conventional objection to a "policy" Cabinet, however, is that it would be too detached from political and party influences and from popular and departmental opinion to be able to deal successfully with the politics of real life. This is a criticism that seems to me to be unanswerable.

The nearest to a successful application of the policy Cabinet concept has been in the exceptional circumstances of war, when all policies are subordinated to an over-riding objective. The Lloyd George coalition formed in 1916 was headed by an almost entirely non-departmental war cabinet of five (the only member with a department was Bonar Law, the Chancellor of the Exchequer) which enabled the Cabinet to initiate policy unimpeded by departmental duties.

In the Second World War, Churchill began by trying to reproduce the Lloyd George model, with a Cabinet of five. He himself was both Minister of Defence and Prime Minister, the only other departmental member being Halifax at the Foreign Office. In fact, however, the direction of the war was almost entirely in the hands of Churchill himself, dealing directly with the service chiefs and appropriate non-departmental heads; and other departmental ministers were gradually brought into the War Cabinet, which gradually lost its non-departmental character. In his post-war Conservative government of 1951, Churchill, in a Cabinet of 16, attempted a scheme of "overlords"—co-



When an inner Cabinet had to work: King George VI during the War with Winston Churchill, Clement Attlee, Ernest Bevin, Lord Woolton and Oliver Lyttelton.

ordinating or supervisory ministers, chiefly in the Lords. Highly unsuccessful, it was abandoned within two years.

The idea of the policy Cabinet, like that of the above-party coalition of all the talents, which appeals to distinguished retired politicians who would never have entertained the idea when they had a grasp on power, is therefore more attractive in theory than in practice.

Yet there is something to be learned in present circumstances from all these ideas which is relevant to present circumstances.

When Mrs Thatcher wants to dispute policy with her ministers, she does so to their faces, sometimes in public as well as in private. When they want to try to change her mind, they talk pretty freely in public and semi-public, but they do not plot. They do not want to overthrow her. Though some of them fear that her policies may lose the next election, they know that to overturn Mrs Thatcher would certainly do so. They therefore want to persuade her, rather than to publicly dispute her. The open argument is not unhealthy.

Even so, what is lacking is a mechanism for the Cabinet to stand back sufficiently to devise

a strategy for economic recovery. Too often the Government seems to be dominated by the obligation, which presses on any government, to deal with emergencies first.

Both sides in the argument about monetarism versus Keynesian economics should now accept that the monetarist basis of policy will not be changed, but that a properly devised edifice for recovery needs to be built (since events are proving that the Government has to intervene here and there whether it wants to or not) on what has already been achieved. Some ministers believe an industrial recovery is coming; others do not; many demand an industrial strategy. What is not in doubt is that such basic questions now need a new focus for examination.

The Government lost at least one year before coming to grips with public spending, so far as it has managed to do so. It cannot afford to lose another year wondering whether recovery is coming and in what form. It is already giving money, guaranteeing loans, to public and private industry when things get desperate, as with British Steel, ICL, British Leyland. It would like to attract

private money to public industry where possible (hence the enabling British National Oil Corporation Bill which is slipping badly in the parliamentary timetable).

Above all, there is the question of how to concentrate Government spending on constructive public sector investment without backtracking on the attempt to bring the total under control, and how to deal with the fact that we now labour under two rates of inflation—with the private sector paying for the much higher inflationary level (electricity, gas, rates, etc.) in the public sector.

What is now needed is not a non-departmental policy Cabinet, or some new device for bridging the gap between spending and non-spending ministers' attitudes, but rather a Cabinet group specially charged with examining all these questions of national recovery. Its members should not be ministers lacking the strength of departmental bases, but ministers from departments directly concerned with these problems who can sit back, as a group, from the day-to-day problems in order to formulate a coherent strategy involving all these questions.

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# The remarkable resilience of Ronald Reagan

Ronald Reagan continues to confound all who watch him, friends or critics. The events of Monday were but the latest example, impressive though that was. Here was a 70-year-old man with a bullet in his lung walking under his own steam from car to hospital emergency room. There he underwent more than two hours of emergency surgery and emerged from it in a condition that would have been remarkable for one half his age.

Even the doctors who attended him were astonished at the stability of his vital functions, presaging a rapid recovery. One of them noted that his "physiological age" fell the calendar.

So much for those who feared he might be too old for the presidency. His age is not the issue in the campaign, his friends and supporters were shocked that he might not be physically up to the demands of the job. We are not likely to hear of that again any time soon.

Mr Reagan, the fifth United States president to be the target of an assassination attempt in the century, began his life in 1901 and running through the two attempts of Gerald Ford. Just why this should be so in this country, of all countries, must remain a puzzle.

The residents who have been assassinated targets have been Democratic and Republican: except for the Puerto Rican gang attempt on President Truman, all the attempts seem to have been the work of isolated gunmen.

What is unusual in the Reagan case is that he is the first President in office to be shot and to recover. Teddy Roosevelt, who was wounded in 1914 and also recovered, was then five years out of office. McKinley died within a few days of being shot; John Kennedy within a matter of minutes. All the others survived due both to his own efforts to keep his body in good shape and to sheer luck that the bullet did not hit his three inches closer to his heart. In many ways that's the story of his life, a combination of foresight and fortune.

Mr Reagan was elected President in 1980 because, in large measure, the times were right for him. He had been standing in the presidential wings since 1967 when, to everyone's surprise, he was elected Governor of California. But not until last year had disillusionment with a generation of liberal Democratic policies shifted the public mood enough to make him a strong presidential possibility. Before that he could not even win the Republican nomination.

But when the tide of fortune turned, Mr Reagan was ready to greet it. What the voters had come to feel about the state of the country he had felt for a long time, and he was able to articulate the people's feelings. Indeed, for a politician, President Reagan has been remarkably consistent in his political advocacy. Ten years ago, while still Governor of California, he would express to any visiting journalist essentially the same thoughts, frequently using the same words and homely parables, that he used so skillfully in his successful campaign. He did not have to change his rhetoric to fit a new political mood. He waited patiently until the public mood matched his own.

Since his election his consistency of thought and action have been almost remarkable. Every new president in the past

arter of a century, while campaigning for the office, has talked of reducing government spending, with a balanced budget promised in the near future, of cutting the people's taxes. To everyone's astonishment President Reagan from his first day in office actually set out to do what he said he would do.

What's more, he seems to have thus far carried the people with him, in defiance of the conventional wisdom that cutting the Government's budget is politically impossible. At least, his friends have been surprised, his foes confounded.

Mr Reagan is no deep philosopher or intellectual giant. What United States President of our times has been? He has proved more than match for the intellectual snobs who have sneered because he was once a film actor or scoffed at his use of the cop book maxim. What has he overlooked is that this man has lived a long and varied life and somewhere along the way found out who he is, what he thinks and why he thinks it. That's a rare thing for an man.

Two small incidents from Monday: when Mrs Reagan rushed to the hospital and asked him what had happened he replied, "I forgot to duck. And as he was wheeled into it



operating room he looked up at the surgical team and remarked, "I hope you are all Republicans."

One-liners, to be sure, and not even too original. But not lines fed by any gag-writers, to whom his scornful attitude to his wry humour. These are the words of a man a little frightened by what he faces but determined to face it with grace, a man who has come to terms with death as well as life, which is the measure of true courage. Such a man is not easily beat with any sword.

So the suspicion grows that there is more to Ronald Reagan than has met anyone's eye. I will no longer be surprised if he proves to be both strong and successful President, one who in the end captures the country's imagination and turns its direction about as Franklin Roosevelt.

Vermont toyster

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Bernard Levin

# Chess yes, sonnets no . . .

nothing, and Mr Owen's survey presents a formidable catalogue of advances into the future for us to contemplate.

The first fruit of that contemplation was, of course, the conjuring up of the already old science-fiction nightmare of computers—wicked or benign, according to taste—taking over the world. Though Mr Owen did not quite blot every door, the lines of progress in artificial intelligence that he mapped still leave the nightmare as the stuff of fiction rather than genuine possibility; certainly, the task of human beings bent on taking over the world may be made easier by the computer systems of which he writes, but that is another matter. We may yet hear the midnight knock on the door, but the knuckles will still be flesh and blood.

But that leaves the field clear for what is, to me, the most interesting speculation of all. Artificial intelligence can, unprompted, rediscover mathematical and astronomical principles, work out extra but

hitherto unknown solutions to other such problems, and—as was found in the case of a scientist working in the field of plant diseases—devise for itself an investigative system which not only achieves a higher rate of success than the expert, but also produces a higher rate than that achieved by the expert when, armed with the new knowledge that his brainchild has offered him, he tries to improve the computer's programme; in other words, the computer can go further by itself than we can in conjunction with the human being. But the question that that alarming stuff raises is: is there an unbridgeable gap ahead of the computer as it marches on its apparently invincible way? Scientifically, it is not possible to answer "no" to that question: philosophically, I think it is, and what's more it had better be. Mr Owen, looking at this problem from a slightly different angle, quotes a study of it by Dr Margaret Boden of Sussex University, who says:

Far from showing that human beings are "nothing but machines", it confirms our insistence that we are essentially subjective creatures living through our own mental constructions of reality (among which science itself is one). In addition . . . it offers an illuminating theoretical metaphor of the mind that allows psychological questions to be posed with clarity. You should be able to see, Orson, striding broad-shouldered across the heavens, with

his glittering belt and his sword hanging from it; gaze upon him in silence, and ask yourself whether you do not feel a catch in the heart, and a sense of infinite wonder at the vastness and beauty of the universe. (If you do not, you should consider the possibility that you are yourself an artificial intelligence.)

No computer, actual or conceivable, can feel that. But why can a computer not feel it? Because in that sense of wonder and all it implies resides the truth about what it means to be human. And it is out of that truth that creation grows.

It is possible, theoretically at any rate, to put all the notes of every scale into a computer, together with all the technical information required to produce any number of combinations and arrangements of those notes, as well as all the rules of harmony and counterpoint, and a grasp of the principles of composition, so that the computer would be able to understand the nature of real music and would not just combine notes at random until they fitted into some kind of recognizable tune; in short, it is possible to programme a "computer" to write music. And if the information the computer is fed includes the development of music in the last century and a half, it will be, quite literally, very much more knowledgeable than Beethoven. But only a fool would wager a penny on its being able to produce on its own account not of course the

equivalent of the Ninth Symphony or *Fidelio*, not-making it easier for the machine—the equivalent of the *Les Adieux* Sonata, not-making it easier still—the equivalent of the Piano Concerto No. 1, but something as brief, simple, obvious and unassuming as the eight-bar passage at the beginning of the *Andante* of the *Kreutzer*, in which the piano states the theme.

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# Remember her?



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I'd like to help—here's my contribution

Name

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# To get obfuscatorily to the point . . .

Dog should not eat dog, but I am nevertheless obliged to report that *The Guardian* is the least comprehensible of our main daily newspapers. According to a table just issued by the Plain English Campaign, that scourge of official obscurantism, it ranks second only to such classics of tortured language as "Notes to British visitor's passport application form" and the "Conditions of use" section of an Access credit card application in its Fog ratings.

Fog, as bureaucrats the world over ought by now to know, stands for Frequency of Gobble-dyook, a creeping infection that the campaign is doing its best to eradicate.

As you may have read, the campaign has recently brought out a Plain English training kit to teach the skills of simple communication, and since it comes complete with the Fog ratings of various publications, I imagine that relative impenetrability of *The Guardian* will become the talking point of training sessions throughout the country.

The table, incidentally, exhibits some odd conjunctions. Although, as you might expect, *The Sun* emerges top (or bottom, depending on your viewpoint) of the newspaper clarity

league, it is strange to find *The Morning Star* and *The Daily Telegraph* sharing the same rating only a shade clearer than *The Guardian*.

I suppose you had better know the full story. *The Times* is the second most incomprehensible national daily. There are ways of working these ratings out, but it would take far too much plain English to explain them. What most disconcerted me was to discover that all four of these newspapers were judged less intelligible than a document known as Standard Letter BF405, produced by the Department of Health and Social Security. Now that really is an insult.

# Housing list

I am pleased to report that the Greater London Council has moved swiftly to restore one of the oldest small houses surviving in central London. It is 64 Neal Street, on the edge of Covent Garden.

The GLC bought the house in 1977 as part of a package of properties. It was listed as early as the 17th century, but has since been found to date from the 1690s. It retained almost all its original features including stairs, panelling, fireplace surrounds and cornices, but must have had to be stripped out to allow for the restoration. Latterly the building was used as a rooming house.

The GLC's Covent Garden committee urged in a report in February that it be restored



"This must be where I go wrong—I'm not using the right sleep-deprivation technique."

rapidly or it would soon be beyond redemption; the cost was put at around £77,000. Work has already begun on the building, which will later be let to a family of six on the upper floors, with the ground floor as a period shop.

While on the subject of saving the less obvious parts of London's architectural heritage I am happy to report brighter hopes for the future of the Drapers' Almshouses in Priscilla Road, Bow, one of the most handsome groups of buildings in the East End, which have been under threat for years.

They were built around 1707 in Wren style, and are listed Grade 2.

In 1967 Tower Hamlets council sought permission to demolish them and re-erect them in Bethnal Green Gardens as a library, but the scheme ran into legal difficulties.

Then in 1972 the GLC advertised an offer of a 99-year lease to anyone willing to restore the block, which consists of four tiny houses on either side of a chapel. Again nothing concrete happened; a westerly wind and weather have continued to do their worst, and the doors and windows have since been sealed with corrugated iron, making the place a weatherbeaten eyesore surrounded by council tower blocks.

Now I hear that a housing association wants to take the place over, restore it, and make six modern dwellings out of it. I hope they succeed.

# St James's?

The Reform Club, one of the Pall Mall gentlemen's sanctuaries that still does not admit women to full membership, is making a third attempt to break down its self-imposed barriers of sex discrimination. Once again members are being balloted on the issue, and the result will be known at the end of this month.

Members were canvassed on the issue last year, and came out two to one in favour of opening the membership list to

all sexes. But the move was blocked at the subsequent annual general meeting by a male chauvinist guard.

This faction claims that to admit women would cause many men to resign, and that new female subscriptions would not cover the loss. Bar takings would go down, and new toilets would have to go.

And a mixed membership might prevent any future merger with another gentlemen's club of similar stature. And they add, although women are already allowed to use certain club facilities during the day, very few actually do so.

Poppcock, say the pro-feminists. Women would raise the standard of membership, the club needs their money and no one has objected to the presence of women at lunch; besides, a club that calls itself Reform really ought to live up to its name.

# Canada droll

I have always imagined, no doubt unjustly, the Canadians to be a singularly dull race without any indigenous culture to speak of. I regret to say that a play with a Montreal setting which opens at the Old Vic tonight confirms my suspicions, for it shows that Canadians cannot summon up a decent insult.

The play, *Balconville*, by David Pennario, centres on the tensions between British and French Canadians in Quebec. I

learn from Peter McNeill, one of the principal actors, that the worst a British Canadian can call a French Canadian is a "malediction", or a pesquer. The French exaltate with "je te casse" (I break you) or "Maudit bloke bloke having highly pejorative overtones in Montreal. In addition, the French tend to use religious exclamations, while the English would employ a sexual.

It is curious that different races should see in terms of the things the most fear: the Frenchman GI and the Englishman his puke parts. With the gradual leakage of ancient taboos I expect that swearing in a future will be in terms of the last great taboo, death.

But when it comes to wishing mischance upon one's enemies, no one can deliver a curse like a New York swab in: "May a fleet of ship bring you a fortune of gold and yet it not be quite enough to pay your doctor's bills."

"Reagan's Bill as he recovers" and the Financial Times mairheadline yesterday. Heavens, c't these American doctors 'til he's better to get paid

Alan Hamilton





P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

## MR HAIG IN THE MIDDLE EAST

The Reagan Administration has decided that strategy in the Gulf is to be the main part of American policy in the Middle East. The fact that the Secretary of State, Mr Alexander Haig, is about to visit Saudi Arabia as well as Israel, Egypt and Jordan is a sign that American attention has been shifted away from Palestine. The view held by many in Washington is that if the West and the Gulf can come together against a common enemy—the Soviet Union—then a solution to the most important problem of Palestine will follow.

America's allies in Western Europe do not agree. The Europeans have a long history of involvement with and understanding of the Middle East, and are aware that for the Arab world the most pressing issue is the dispossession of the Palestinians and their claim to a homeland. The Europeans fear the Reagan Administration's occupation with the global struggle against Communism is leading it to adopt unnecessarily ill-considered attitudes, which in a run the risk of provoking aggression rather than restraint. Western Europeans are aware of the Soviet threat, both to Europe and to the Middle East, and are vitally concerned with the question of unity in the Gulf. But they have, rightly, that the best way to counteract Soviet designs is to bolster the local Gulf states themselves.

Mr John Nott, the Minister of Defence, stressed during his visit to the Gulf this week that a

Western military force of the kind America has proposed should only be used at the invitation of the Gulf countries, and only in the event of direct Soviet aggression. Some Reagan officials, by contrast, have given the impression that such a force would not simply wait "over the horizon" but would take an active role, even to the extent of intervening in countries such as Saudi Arabia in the event of internal instability.

Mr Haig does not necessarily share these views, and indeed understands European anxieties. The Secretary of State has a military cast of thought, as befits a former Supreme Allied Commander in Europe. But he is flexible, and precisely because of his experience in Europe is very much aware of European perceptions. This is true not only of the Gulf but also of Palestine. The "European initiative" on Palestine is founded on the assumption that the Camp David process has played itself out, and that neither the Egyptian nor the Israeli concepts of "autonomy" have much life left in them. The Europeans are offering alternative formulae of Palestinian self-determination on the West Bank, and argue that the Palestine Liberation Organization must be "associated" with talks toward the end.

To many members of the Administration, including Mr Reagan himself, by all accounts, this "initiative" is incompatible with American aims. But Mr Haig and the "professionals" in the State Department take the more conciliatory view that Euro-

pean efforts can complement American policies, and might even help overcome the current deadlock in the peace process. State Department officials believe that Jordan might be persuaded to join in, perhaps by forming a federation with Israel on the West Bank for a transitional period leading to eventual Israeli withdrawal and Palestinian elections. The label "Camp David", according to this scenario, would be quietly dropped, and the Europeans would help to get such a solution off the ground by acting as a bridge to Palestinian opinion.

The Israelis are already alarmed by the sale of American arms to Saudi Arabia, and must be assured that neither Europe nor America has anything in mind likely to jeopardize Israeli security in any way. Guarantees of Israel's security are a sine qua non of any future peace negotiations and no Israeli leader can accept any state next door dedicated to Israel's destruction.

Mr Haig has a difficult and delicate task ahead of him, and both his Israeli and Arab hosts will expect him to spend as much time listening as talking. He none the less has an opportunity to move cautiously toward a Middle East policy which, despite the rhetoric of Mr Reagan's more extreme supporters, takes the sensitivities of the local states fully into account. It is up to Western Europe to press its own experience and judgement in Middle East affairs on Mr Reagan's Administration before attitudes harden into policies.

## OLAND'S INDEBTEDNESS

and is over one crisis and ready moving on to the next. A party congress now scheduled for July 20 will strengthen the reformists and badly bring elements of democracy into party life unless it is staged in advance by those still believe that the old—and their places in it—be saved. This means that the danger of spontaneous outbreaks of discontent is a still greater danger hardliners inside the party will engineer provocations in the hope of forcing the Government into force against its own people, thereby provoking civil and Soviet intervention. The incident in Bydgoszcz, where members of Solidarity were shown just how easy it is, and how dangerous, if a plot it only just failed, the West has interests in events which are not just anti-communist or ideological, not to the repayment of debts. It has an immediate stake in peace in Europe which

might be threatened by an explosion in Poland. It has a long-term interest in lowering tensions by helping the present security system to rely less on force and more on the consent of the people. The hope that this may be possible is one of the basic ideas behind détente in Europe. The Polish crisis is therefore a test of détente because it is a test of whether the Polish system can be modified to meet the material and political needs of the people without threatening the security of the Soviet Union. If it fails, détente in Europe fails for the foreseeable future. Western warnings of what will happen if force is used against the Polish people are, therefore, not just threats of punishment but forecasts of inevitable consequences. There will be no point in pursuing a genuine relaxation of tensions in Europe if the Soviet Union is not prepared to play its part in allowing the people of eastern Europe to reduce tensions within their own systems. We would have to wait for more enlightened Soviet leaders who could see that their own interests would ultimately be better

served by riding with change in eastern Europe than by trying to prop up systems which are neither popular nor efficient.

At the moment one of the ways in which the West can exert influence is through Poland's urgent need to reschedule its massive debt of about \$24,000m to the West. Its gross financing requirement for 1981 is about \$10,000m, of which \$3,500m would be new money. Negotiations between governments and banks are now running in parallel and seem to be relatively successful so far. But there is the obvious problem that it is as difficult for the Poles in their present state to make convincing forecasts as it is for their western partners to attach detailed conditions. The main aim of the West, however, must be to provide as much help as possible so long as there is reasonable hope of a rational recovery plan emerging under way. The use of force in Poland, as western leaders are now pointing out, would destroy this hope and therefore remove the incentive for further help.

## THE HIGH RISKS OF PUBLIC DUTY

press, which is supposed to be disclosure, is more at risk than from the legal consequences of exposure than the in any other political society. The law of libel is particularly severe. This is not out of its benefits. People in public life should be exposed to criticism and investigation for performance but not to reckless disregard for the public and reasonable privacy sometimes prevail in the American system. Britain imposes on the press a very burden of proof, which is fully conducive to good things: indeed there is a real argument for extending aid to libel cases so that it is a remedy restricted to able to afford the costs.

is against this background the libel action against the Mail, brought by the Union of Unification Church, is considered (and we say at once that the still faces a similar action which about the cult which followed even before the Mail's articles). It took terrible financial courage to the Daily Mail to continue to the action to the end, newspaper was, of course, etely vindicated by the verdict, and the Moonies

will have to bear all the legal costs. Had the newspaper lost the case, however, it would have been Associated Newspapers, and not the Moonies, that would have been facing legal bills exceeding a half-million pounds. That is not a negligible amount, and newspaper groups are no longer rich. The Moonies, in contrast, were well known to have virtually unlimited finances available to them. The Daily Mail must therefore have been tempted to settle the case, analogize to the Unification Church for the very serious (though true) allegations made against it, and retire from the fray at a loss of thousands, but not hundreds of thousands, of pounds. That it fought all the way is to its credit.

It is causes like this which vindicate the claims of the press to act on behalf of the public. Naturally a single success cannot excuse the errors of fact and taste which often occur; it is, however, a useful reminder that freedom brings rewards as well as rebukes.

Another feature of the Moonies case (and many other libel cases) is the robust common sense of the jury, yet the abolition of the jury in libel cases is one of the more frequently canvassed changes. The length of this case—nearly six months—

has caused an amendment to be incorporated in the Supreme Court Bill. A court would be entitled to refuse to allow trial by jury of a libel action—even where both parties desired it—the hearing was likely to be lengthy. It is argued that no jury should be required to sit for months on what was essentially (unlike a criminal trial) a private dispute. But there are good reasons why jury trials for libel should continue to be available when wanted.

The very essence of a libel action is the issue of public reputation. Has or has not the plaintiff's reputation been affected in the eyes of his fellow men and women? That is precisely the kind of question which should be answered by his peers. Who better than representatives of the public to decide whether his public esteem has been lowered? That argument is not affected by the length of the trial. The principle remains the same. In one respect, however, the functions of a libel jury should be changed. A jury is the right panel for deciding questions of public reputation, but it is not a competent body to decide the damages to be awarded. That should be done by the judge, with the jury restricted to indicating how serious it considered the libel to be.

## Resistance to call for reflation

From Professor R. C. Stapleton  
Sir, The British economic profession has apparently woken up to the fact that Mrs Thatcher does not believe in the power of demand management, or in the cosy Cambridge economists' accepted universally in the early postwar period. This Government believes that the use of excess government spending to maintain full employment is a drug which only leads to an increasing required dosage and worsening side effects in the form of inflation. Unlike the 364, there are economists who fully support the policies of this Government and can provide both the economic theory and evidence to back up that support.

The analogy with the Great Depression is often made by those who advocate traditional Keynesian remedies to current unemployment. There are, however, material differences between the recession of the 1930s and the depression of the 1980s. Keynes's analysis of the unemployment of the 1930s rested on two pillars of the capitalist system. First, there was the downward rigidity of money wages which, in a period of general deflation or constant price levels, resulted in an inability on the part of workers to price themselves into jobs and clear the labour market. Secondly, there was the failure of interest rates to fall through the "liquidity trap" to allow investment to rise to equal savings, at the full employment income level. It is clear that neither of these Keynesian explanations apply to the 1980s recession. Continuing rapid inflation makes nominal wage rigidity insignificant and also has had the effect of producing negative real interest rates in each of the last five years.

The basis of Keynes's analysis of unemployment equilibrium just does not exist in the 1980s. We must look for the causes and cures of unemployment elsewhere. The restrictive practices and bargaining power of the unions are surely a prime cause. They force real wages above the full employment level to the disadvantage of young newcomers to the labour force. This must be the fundamental cause of long-term unemployment.

Government then compounds the problem by penalizing both the hiring and, more importantly, the firing of workers. There are also many reasons why firms refuse to invest even when interest rates are consistently negative in real terms. Government needs to investigate the micro-economic causes and come up with the corresponding correctors. An overall boost to demand is not an answer.

Another major difference between our current unemployment and the 1930s is that the 1980s represents a period of rapid technological change. Britain has been slower than other Western countries to respond to these changes. Much of the current unemployment represents a shakeout that can only lead to greater productivity and prosperity in the longer term. However, this productivity which has been painfully achieved by private sector firms will simply be squandered if the Government resorts to spending its way out of recession.

Yours faithfully,  
R. C. STAPLETON,  
Manchester Business School,  
Bach Street West,  
Manchester,  
March 31.

From Mr Peter Bottomley, MP for Greenwich, Woolwich West (Conservative)  
Sir, 364 economists. Whether right or wrong, can we economize? YOUNG BOTTOMLEY,  
House of Commons,  
March 30.

## Victim of circumstance

From Lord Barnstone  
Sir, I did not think that Mr Chapman Pincher's allegations about Bernard Floud needed a denial from those who knew and respected him, his supporters in his Acton constituency, and his colleagues at Granada, but Jean Floud's letter today (March 30) was perhaps necessary. It is true that after his first day of work he said he was unable to do so, despite our urging him to do so. The following day he took his life. He had been ill for a long time and despite responsible psychiatric treatment he could not overcome the grief of his wife's long illness and her death.

Yours faithfully,  
SIDNEY BERNSTEIN,  
President,  
Granada Group Limited,  
36 Golden Square, W1,  
March 30.

## Free exit

From Mr J. H. Aldridge  
Sir, The harassment by immigration officers of the travelling public over passport control is hard to understand, since it is the legal right of every holder of a British passport to leave this country without showing it.

Citizens of communist countries would give much to be in so favoured a position.

I am yours faithfully,  
TERENCE H. ALDRIDGE,  
56 Hurst Road,  
Cumnor Hill,  
Oxford,  
March 28.

## State's role in appointment of bishops

From Canon Paul Oestreicher  
Sir, I have no quarrel with the Queen's nomination of Dr Graham Leonard to the Bishopric of London. He is a Christian of proven ability and integrity. The fact that I, with many others, deeply disagree with him on important issues is quite irrelevant. If elected, he should have the good will and loyalty of his diocese.

The major issue raised by your correspondent's report (March 27) is not personal but constitutional. I believe that the Church of England's General Synod, to which I belong, made a grave mistake when it left a real degree of power in the choice of the Church's leaders in political hands.

It seems, in the case of London, that the procedures were properly observed. The Church's non-constitutional system was devised a few years ago it was assumed that the Prime Minister would normally submit the first name to the Monarch. In this case Mrs Thatcher chose the second name and was supported in this by the Prime Minister. The politicians had been "consciously" informed by Bishop Leonard's nomination. He was the second name on the list. The Prime Minister (and not the Queen) had had to choose between two names. She did not, as you say, "politicise" the Church's personnel. The Prime Minister acted honourably. So did the Archbishop in his nomination. Yet, as you say, there is a real concern that the man the Church most wanted was not nominated. The General Synod is to blame for leaving power with a politician in the naive assumption that it would not be abused.

If an established church must leave such powers in the hands of the state, as Mr Callaghan insisted when this arrangement was made, then the ease for disestablishment is practically made. But there is no such necessity. In a secular, pluralist state a Minister (whether like Mrs Thatcher, need not even belong to the Church of England) should not want such powers. They are actually even greater than the "two name procedure" suggests.

If the Prime Minister approves of neither name, the Church can be asked to submit further names. In other words the Church has given the state an absolute right of veto on its leadership. What a gift to a totalitarian government of the future! It cannot happen here. If and when it does, it will be too late to ask for disestablishment: the renege would be turned down.

This may seem so much theory to the average Englishman. I know eastern Europe well to be a communist. In Czechoslovakia and Hungary the traditions of the Austro-Hungarian Empire survive to this day. No Catholic or Protestant churchman can be appointed without state involvement. A compliant hierarchy is the result. In contrast, the Lutheran and Catholic churches in East Germany have constitutions which exclude any state involvement. They have learnt from the past and have strong and independent leaders.

I know well that there may be

From the Reverend Brian Brindley  
Sir, It is undoubtedly the case that the Bishop of Truro has opposed some of the "current trends" in the Church of England; but it is not equally true that he has generally been (to put it rather crudely) on the winning side.

In 1968 he led the opposition to the Anglican-Methodist reunion scheme; that scheme was not implemented. In the past decade he has consistently opposed the ordination of women to the priesthood; the Church of England has no women priests. At present, after years of involvement in the discussions on church unity, he finds himself obliged to dissent from the proposals for a Covenant as they stand: it is far from certain that those proposals will be accepted.

It is no doubt surprising (though it should not be) that intellectual integrity and personal conviction should be a path to preferment in the Church of England; but would it not be curious if a man were excluded from high office for being consistently proved right?

Yours faithfully,  
BRIAN BRINDLEY,  
Holy Trinity Rectory,  
32 Eaker Street,  
Reading,  
Berkshire,  
March 31.

## Chantry treasures

From the Director of the Tate Gallery  
Sir, Will you allow me to make one correction to John Russett's Tavis's most interesting article (March 31) on the Chantry collection? He writes that "the Tate does not directly own the best pictures" but this is incorrect. Works are purchased on the recommendation of the President and Council of the Royal Academy and are offered by the Chantry Trustees to the Trustees of the Tate Gallery. Once accepted, they become an integral part of the Tate collection. It is a question of any being taken away.

Your Art Critic is right to comment on the change of taste that today makes these pictures of greater interest to the public. Hence such exhibitions as that at the Royal Academy now largely arranged by Tate Gallery staff, might I add, as a friendly gesture to the Royal Academy for its services to us in Chantry purchasing.

## Matters of gravity

From Dr D. T. Whiteside, FEA  
Sir, As one who has spent the last 22 years of his life editing Newton's mathematical papers for publication by the Cambridge Press (the eighth and last volume should appear later this year)—and, to be sure, one who long ago took his first degree in Latin and French—I find entirely risible your reviewer's suggestion in The Times today (March 26) that the Lord Simon should have reviewed every aspect of R. S. Westfall's new biography of Newton "with authority".

On the contrary, so far as I can see, he possessed no minimal com-

## Relations with Albania

From Mrs Stella Alexander  
Sir, Michael Bourdeaux (March 25) would like to see Albanians changing its ways before being "readmitted into the fellowship of civilized nations"—whatever that means.

Albania is a small, totalitarian and by all reports fairly brutal ideological dictatorship which has managed to isolate itself from the rest of the world for a long time. The most important thing is to cut through this isolation and allow some exposure to the outside world.

This is more likely to bring about a change in the position of religious believers than making preconditions. The Christian churches and the Moslem religious community have been outlawed and severely persecuted and any letting down of the barriers to other countries can only help them.

Yours faithfully,  
STELLA ALEXANDER,  
10a Shooter's Hill Road,  
Blackheath, SE3,  
March 26.

## Taking the human view in Beverley

From Mr D. P. Crease  
Sir, There is another aspect of the Beverley controversy which has not been mentioned by your correspondents.

The developer whose plans to build houses to the south-east of the minster are criticized is a co-operative formed by a community of people who have in many cases lived most of their lives in that vicinity. For two decades they have lived under the threat of wholesale demolition, and during that time little or nothing has been spent on maintaining their small houses, which in many cases lack the elementary comforts that most of us take for granted. Their only prospect was of eventual dispersal to council estates elsewhere.

When, after studies carried out by the Hull School of Architecture, it appeared that there was a case for the rehabilitation of their street, and that by banding themselves together as a cooperative they could take control of their own future, they eagerly seized the opportunity to keep their community in being, strengthen its roots, and enlarge its shrinking membership.

At that point they asked us to be their architects. I found that they had another opportunity. Their street formed part of an area to the south-east of the minster which the local council wished to see rebuilt, both to provide badly needed housing and to revive a neglected area. The council also had an aesthetic aim, which was to provide a measure of enclosure to the south-east of the church, while leaving open a larger space to the south and south-west. The long-established view from the south-west was not to be substantially affected.

I thought this a good plan, and recommended to the cooperative that they execute part of it. In that way they would not only be providing for themselves, but would be contributing to a general renewal of the fabric of the town.

That was in 1977. Progress since then has been slow but steady, and the first few houses in the existing street are now improved and re-occupied. Plans are well advanced for the next phase and the necessary land has been bought. The members of the cooperative, after so many years of deprivation and struggle, are at last within reach of their goal. You may therefore imagine their reaction to the suggestion that the Secretary of State should roll them over on their plans and go and build elsewhere.

There is no good reason why he should. As in many European towns, Beverley Minster is the culminating expression of the social and artistic energy of the town. Its larger scale, finer materials, and concentrated display of creative skills, the intellectual organization of its form, distinguish it from the context of humbler buildings among which it stands. But its context is natural to it. Church and town are complementary parts of one whole. In building round a church one is maintaining that essential unit.

I am as moved by the beauty of Beverley Minster as anyone and with equal ardour to give it an appropriate setting. What is appropriate is to see it rooted among the community it serves. What is not appropriate is to see it as an isolated object, divorced from that community, who built it, look after it, and use it. That is why I call the state of some members of that community who would tear it from part of the picture. How could one now say to them, "Go away—you're spoiling the view?"

I am, Sir, yours, etc.,  
DAVID CREASE, Chief Architect,  
Pork University Design Unit,  
The Institute of Advanced Architectural Studies,  
The King's Manor,  
York,  
March 30.

## Abduction of Mr Biggs

From Mr R. C. Mulholland  
Sir, Our prisons are overcrowded, unemployment is in millions, yet you advocate bringing back to England a convicted robber who had fortunately for the taxpayer already fled himself. No doubt he'll be sent to a high security prison (£30,000 per year), and on discharge draw unemployment benefits for a few years before receiving his pension (not contributed to).

The efficacy of the original long sentences as a deterrent has already been demonstrated: the discovery of Biggs in Brazil illustrated the long arm of the law. His further incarceration in this country does not serve public policy, will be less of a punishment than permanent banishment, and is economic nonsense.

Yours faithfully,  
ROBERT C. MULHOLLAND,  
39 Private Road,  
Sherwood,  
Nottingham,  
March 30.

## Balance of power

From Sir John Boreham  
Sir, I hope that your British readers will properly appreciate Friday of this week. American readers have their own little pleasures. However, their own qualities may turn out, Friday has a date the like of which we shall not see for 20 years. The day of the month raised to the power of the number of the month equals the last two digits of the year.

We last enjoyed such a date in 1964—no fewer than three times. It will not happen again until January 1, 2001. I do not accept that February 29, 2000 can be included in the tally of such dates, which is no more than 39 each century.

Yours sincerely,  
JOHN BOREHAM,  
Head of the Government Statistical Service,  
Cabinet Office,  
Central Statistical Office,  
Great George Street, SW1,  
March 30.

## Tunncliffe collection

From Lord Clodwyn of Penrhos and Lord Shackleton  
Sir, We would like to express our sadness, and indeed a feeling of sadness, when we read that an artist of the calibre of Charles Tunncliffe may not have his wishes respected regarding the disposal of his life's work, even though they were communicated only verbally and belatedly.

The value to the nation of his superb drawings is beyond price, and for the complete collection to be broken up is deplorable.

Such of his inspiration came from the beauty of the island of Anglesey with its teeming bird life, and we would like to lend support to Denis Mahon (March 10) and others who have appealed for the future of this treasure to be reconsidered before irreparable harm is done.

Yours faithfully,  
CLODWYN,  
SHACKLETON,  
House of Lords,  
March 27.

## Disarmament

From the Reverend K. G. Greet  
Sir, The obstacles to progress in disarmament are formidable. They include the vested interests of the arms trade, the military world has ever seen; the willingness of politicians who appear to be puppets operated by kings of science and technology; and the deep-seated, entrenched nature of the military establishment. Only a profound moral revolution can provide the impetus to make progress possible.

It is no accident that the age of ecumenism, of global Christian consciousness, coincides with the age of the ultimate challenge to the very existence of the global human family. The immediate practical consequence of this consciousness is the reversal of the catastrophic arms race must be a primary charge on the energy of the churches. All the other moral issues on their agendas are dwarfed by this, the big sin.

Large numbers of Christians, with others, are actively supporting the World Disarmament Campaign. That is only one way of expressing commitment and helping to extend and deepen the current debate. No distaste for political involvement must deter us from participation in the attempt to drive the world back to sanity. No fear of mixing with extremists must inhibit us: what, after all, could be more extreme than the pursuit of policies, described by the British Churches as "increasingly offensive to the Christian conscience", which threaten the very existence of the planet? We must pray as if there was no such thing as work, and work as if there was no such thing as prayer.

Yours sincerely,  
KENNETH G. GREET,  
President and Secretary of the Conference,  
The Methodist Church Conference Office,  
1 Central Buildings,  
Westminster, SW1,  
March 25.

## Free exit

From Mr J. H. Aldridge  
Sir, The harassment by immigration officers of the travelling public over passport control is hard to understand, since it is the legal right of every holder of a British passport to leave this country without showing it.

Citizens of communist countries would give much to be in so favoured a position.

I am yours faithfully,  
TERENCE H. ALDRIDGE,  
56 Hurst Road,  
Cumnor Hill,  
Oxford,  
March 28.











§ Forward bargains are permitted on two previous days

[illegible]



# THE TIMES

## BUSINESS NEWS



Why Bonn  
may dilute  
bank  
reform, p20

**Stock markets**  
FT Ind 329.8 up 1.7  
FT Gilt 70.13 up 0.27

**Sterling**  
£2.290 down 55 points  
Index 100.2 up 0.1

**Dollar**  
Index 100.0 up 0.2  
DM 2.1045 down 10 pts

**Gold**  
£517.50 up \$10

**Money**  
3mth sterling 12.12  
3mth Euro 5 14.14  
6mth Euro 5 14.14

### IN BRIEF

## Littlewoods profits collapse by 72pc

Profits before tax of the Littlewoods Organisation, the co-operative mail order, chain store and pools company, crashed from £14.1m in 1979 to £4.1m last year. Retail sales, up by only 7.7pc to £1,063m, are blamed for the 72pc decline in profits. Profits from the pools operation, which in a normal year account for about 15pc of Littlewoods' profits, were improved at £7.1m. But 110 chain stores, accounting for about 40pc of the total operation, and mail order contributed only £3.5m in profits.

Littlewoods is still a private company of which Mr John Jones is chairman. In a statement on the preliminary profit figures for the year to the end of last December he said retail profit margins came under severe pressure because of depressed consumer spending, intense competition on the high streets and an 18pc increase in costs.

**Bank pay progress**  
The Clearing Bank Union is expected to tell bank employers that a majority of its members have accepted a 10pc "final" offer. The NUC-affiliated union differs with the Banking and Finance Union, which has already held two-day local strikes in protest of the offer.

**Interest rate talks**  
Finance ministers and central bankers from the "Group Five" industrial nations—Britain, the United States, France, West Germany and Japan—are expected to meet in London on April 10 for talks on interest rates and prospects for world economic recovery.

**Stock demand 'small'**  
Demand for the Government's latest stock offering, 100m of Treasury 11s per cent 1985, was thought to have been relatively small at yesterday's tender. All applications were allotted in full at the minimum tender price of 99.1pc.

**Hitbread jobs lost**  
Whitbread is cutting the workforce at its Luton brewery almost half to 305. Mr Roger Ham, managing director, said falling beer sales.

**Urbane contract**  
JEC Gas Turbines of Leicester has been awarded a £3m contract by Ishikawajima-Harima Heavy Industries of Japan for the supply of two gas turbine drive units and a spare generator.

**BS for Wales**  
More than 200 jobs are expected to be created over the next three years by the latest of companies to be allocated licences by the Welsh Development Agency.

**Finance Bill tomorrow**  
The Finance Bill will be published tomorrow, a parliamentary answer said yesterday.

**Wall Street higher**  
The Dow Jones industrial average closed 10.25 points up at 1,014.14. The S&P 500 was 18.58. The £ was 0.548082.

## CBI complains of 'confusion' over budget energy cost concessions

By Patricia Tisdall  
Management Correspondent

Industrialists, clashed with the Government over what they considered to be inadequate measures to help cut industry's energy costs at a truncated meeting of the National Economic Development Council yesterday.

Confederation of British Industry leaders who, along with senior Government ministers, crossed picket lines to attend the meeting, said they considered the Budget measures did not meet industry's needs.

The CBI is particularly angry about the absence of a relief on heavy fuel oil duties because of what had been interpreted as an implied promise of help given by Mr Howell at last month's NEDC meeting.

However, the expected row yesterday was averted by the absence of the six TUC delegates who did not want to cross Civil Service picket lines to attend the meeting. The trade unionists were expected to have supported the CBI in pressing for more concessions on industrial energy prices.

Sir Terence Beckett, the CBI director—general described the atmosphere as "friendly" although he said that "many thousands of jobs are involved in the energy costs more in line with those of its competitors".

The meeting confined its agenda to a discussion on energy prices and Government action arising from the report of the NEDC task force a month earlier. A short statement issued by the National Economic Development Office afterwards said that the subject was "considered sufficiently urgent to warrant immediate deliberation".

Mr Howell opened the discussion with a description of recent concessions on gas supply contracts and the new electricity tariffs. On fuel oil he said that the Government expected suppliers to charge competitive prices but added that "consumers, too, have an important part to play in ensuring a vigorously competitive market through their own purchasing arrangements".

While remaining strictly non-committal, Mr Howell nevertheless indicated that further flexibility in electricity tariffs was being explored. The steel industry is among heavy users, along with chemicals, campaigning for a reform in negotiating arrangements for electricity.

## Mounting losses force Weir reorganization

By Ronald Pullen

Britain's recession-hit engineering industry has suffered another casualty with Weir Group forced into a big capital reconstruction because of mounting losses and a severely weakened balance sheet.

The move comes after one of the worst-ever trading periods for engineering companies with profit collapses common in many of the largest businesses and amid persistent stock market fears of a major crash in the sector.

Part of the financial picture worked out by Weir's bankers, led by the Royal Bank of Scotland, is that Lord Weir gives up his role as chairman.

Sir Francis Tombs, former chairman of the Electricity Council, has been appointed in his place and Lord Weir becomes vice-chairman.

The new financial arrangements involve the injection of £6.2m of new capital through a one-for-one rights issue of 25 million convertible preference shares. This is to be underwritten by Finance Corporation for Industry—1983 is also deferring until 1988 repayments of £1.6m due this year on a £11m loan—the Scottish Development Agency and Equity Capital for Industry.

The group's 12 main banks are also converting 10 million of their outstanding loans into 40 million preference shares and they are making available a further £37.7m cash and bond facilities, which contain certain restrictions such as payment of dividends.

The reconstruction comes after two years of deteriorating conditions for Scotland's leading engineering group. Remedial action began in 1979 but closures, redundancy costs and trading losses have weakened the balance sheet and shareholders' funds have fallen from £48m in 1976. Weir also announced its figures for 1980, showing a £10.3m turnaround into losses of £8.3m. Dividend has been passed.

Weir's problems have been concentrated in the pumps division where there was a £5.5m reversal to a trading loss of £2.5m last year. The group concedes that much of this stems from management deficiencies including cost overruns on major contracts which have led to heavy losses on contracts completed last year. These have now been rectified and an independent review of Weir's product lines has come to the conclusion that the industrial and commercial base is sound enough for the financial reconstruction to go ahead.

No promises are being made about the immediate trading outlook but further peripheral disposals are planned this year to help reduce borrowings.

Financial Editor page 21.

**PRICE CHANGES**

ses	14p to 176p	14p to 272p	14p to 364p	14p to 252p	20p to 253p
ott 8					
len Carrier					
1 Matthew					
ision Travel					
isurama					

Bank	Bank	Bank	Bank	Bank	Bank
buy	sell	buy	sell	buy	sell
1.99	1.91	1.99	1.91	1.99	1.91
34.95	32.75	34.95	32.75	34.95	32.75
83.00	79.00	83.00	79.00	83.00	79.00
2.72	2.63	2.72	2.63	2.72	2.63
15.40	14.60	15.40	14.60	15.40	14.60
9.55	9.05	9.55	9.05	9.55	9.05
11.42	10.92	11.42	10.92	11.42	10.92
4.57	4.43	4.57	4.43	4.57	4.43
116.00	110.00	116.00	110.00	116.00	110.00
12.25	11.65	12.25	11.65	12.25	11.65
1.33	1.27	1.33	1.27	1.33	1.27
2410.00	2300.00	2410.00	2300.00	2410.00	2300.00
499.00	474.00	499.00	474.00	499.00	474.00

## London Business School forecasts public borrowing at £2,000m above target Chancellor has 'no room left to reduce taxes'

By David Blake,  
Economics Editor

The Government has no room to cut taxes before the next election unless it succeeds in reducing public spending, according to the London Business School. Ministerial hopes that they would be able to give away up to £2,000m in tax reductions have been overtaken by runaway spending, the school says.

The Government's medium-term financial strategy, published at the time of the Budget, forecast that the tax cuts would be spread evenly between next year's Budget and that of 1983. Even this figure was considerably smaller than the hopes of tax reductions which the Chancellor held out when the

strategy was drawn up in the Spring of 1980.

Public borrowing in the coming financial year will be £12,500m, £2,000m more than the Chancellor was aiming for in his Budget, according to the business school.

These gloomy forecasts are made by the school in a paper submitted to the Commons Treasury Select Committee. Although the school is generally regarded as very close to the Government thinking the paper shows the problems which the Chancellor is likely to face in making his strategy stick over the coming years. But the paper is slightly more optimistic than the Government about prospects for output.

Dr Alan Budd, director of the school's Centre for

Economic Forecasting, was an adviser to the Treasury committee until he resigned last month in protest over its report on monetary policy.

The paper expects public spending during the financial year 1981-2 to be significantly higher than Government forecasts. This is because the school feels that the Government is underestimating the likely cost of its spending plans.

It points out that cost estimates were more than £1,000m too low during 1980-81 and that there is no reason to believe that things will be any better this time.

The forecast public sector borrowing requirement of around £12,500m during the coming financial year is expected to be consistent with the Government's aim of limiting the growth in money supply to between 6 and 10pc.

The paper also suggests that present Government policy will achieve a fiscal stance similar to that desired in its medium-term financial strategy, but with higher taxes being used to pay for more public spending than originally planned.

The school expects output to fall about 1pc per cent during 1981, a smaller decline than the 2pc per cent the Treasury is predicting. But the forecast is more pessimistic about prospects for inflation, which sees sticking at 8pc per cent until the summer of next year, rather than falling to 8pc per cent as the Government expects.

Dr Budd: gloomy forecasts on rate of inflation.

## Soaring budget deficit facing America, Wall St analysts say

From Frank Vogl  
U.S. Economics Correspondent  
Washington, April 1

America's budget deficit this year may be far greater than the near record \$55,000m already set by the Reagan administration.

A series of private forecasts point to a deficit of between \$80,000m and \$85,000m.

This development could radically change Congressional attitudes towards President Reagan's economic recovery programme and dramatically alter the outlook for America's interest rates and financial markets.

American bank rates are falling and they may drop very sharply soon. But fears are mounting on Wall Street of a further upswing in rates within a few months, as the Federal Reserve Board maintains tight money policies and the Government is forced to borrow record amounts of cash.

Many American banks have cut their prime rates to 17pc over the last two weeks

and yesterday Chase Manhattan moved from 17 1/2pc to 17pc. Mr David Rockefeller, Chase's chairman, said he expects rates to continue downward.

The demand, particularly from the banks, is falling and there were no market indications yesterday that the federal reserve board's chief policy committee took any decisions at its monthly meeting to alter money policies. So a 16pc prime rate could be established soon.

But the rising level of the budget deficit is overshadowing the medium-term interest rate outlook. The Administration has predicted that this year's deficit will be about \$5,000m below last year's total of \$59,600m. February's deficit was \$15,600m and for the 1981 fiscal year so far it is \$56,000m.

Economists at Manufacturers Trust Bank are warning that if budget trends persist then the deficit for this fiscal year will be \$85,000m. They added: "Unfortunately these

troubling trends may not only persist, they may worsen."

The economists pointed out that both defence and social welfare spending are running ahead of the Government's estimates.

Economists at the Commercial Credit Corporation estimated a budget deficit of a record \$86,000m.

They said that a delay in the implementation of tax cutting plans, from the final quarter of this fiscal year to the start of the 1982 fiscal year in October, will save only \$3,000m. It appears that "even assuming the best case" the 1981 fiscal year deficit might be \$83,000m.

But in the short-term it is widely expected on Wall Street that private demands for funds will be the prime influence on interest rates. The commercial bank prime rate has fallen sharply by 4 1/2pc from its record of 18 1/2pc in 1979 and is now 17pc. Short-term rates have fallen even faster. This rate is now over 4pc above commercial paper rates.

## Maxwell plan to raise BPC stake to 76.9pc

By Richard Allen

Mr Robert Maxwell yesterday unveiled a "survival plan" for BPC which if approved will bring Britain's biggest printing group under his personal control.

Through his privately-owned Pergamon Press, Mr Maxwell is to inject £10m into the stricken group in return for new shares which will raise its stake from under 30pc to 76.9pc.

The scheme will involve National Westminster Bank, the group's bankers, in converting £6m of outstanding loans into preference shares and extending new borrowing facilities totalling £41m—some of it at concessionary interest rates.

In a letter to shareholders today, Lord Kearton, recently appointed chairman of BPC, states that without a drastic overhaul the company cannot survive and receivership would be inevitable.

A 32-page document outlining the proposals shows that interim interest on £6.7m will be reduced to £1.1m at the year end. This and a £14m provision to cover rationalization moves would reduce net assets to £24.3m where they would be outweighed by debts of £54m.

Mr Maxwell said yesterday that his scheme provided the chance for BPC to move "out of the terminal ward into a new phase of life".

Ordinary shareholders, who face the prospect of seeing their equity diluted by two-thirds, will have to vote on the plan on April 24. Other meetings are planned for preference shareholders who are to be bought out at prices under par.

Mr Maxwell's plan to restore profitability will involve rationalization, particularly of the 2,500 redundancies, reducing the workforce to 8,000 with a possible further 800 jobs at risk. He said he had high hopes of winning back printing contracts, particularly for newspapers, which have gone to overseas competitors. A reequipment plan and moves

## Accountants free to advertise

By Catherine Gunn

From October, accountants will be allowed to advertise for the first time. It has taken 11 years for the professional accountancy bodies to accede to the Monopolies and Mergers Commission's first recommendation in 1970 and later in 1976 that the public would benefit from services being advertised locally.

The four professional bodies: the Institute of Chartered Accountants in England and Wales; of Scotland; in the Republic of Ireland; and the Association of Certified Accountants, agreed to allow "selective" advertising after talks with Mr Gordon Borrie, the director general of the Office of Fair Trading (OFT). This was announced yesterday by Mrs Sally Oppenheim, Minister of State for Consumer Affairs.

The four professional bodies said in their joint statement: "The Councils of the four bodies are not persuaded that the Monopolies Commission has made out its case, but are, at the same time, conscious that it is difficult to justify a complete ban on practice information being published."

The traditional "profession" have never been allowed to advertise their skills. Doctors, dentists and barristers still cannot advertise.

Accountants' advertisements must be narrow in scope, and must also appear only in the local press. The OFT and the four bodies have agreed that advertisements must not convey criticism of other professional services available; nor be misleading. Fee levels may not be cited, though the fee basis will be discussed before an assignment is accepted.

Services advertised must be general to the profession and not an individual firm's specialist expertise. Above all, advertisements must be of a style and content appropriate to the profession."

## Deloitte dropped by London Transport

By Philip Robinson

London Transport—accused of mismanagement last summer by a report of independent management consultants—yesterday dropped its accountant, Deloitte Haskins & Sells, who has audited the passenger transport authority's annual accounts for about 50 years.

Auditors are normally reappointed on the nod, but this year London Transport wanted to widen the responsibilities to include more than just the figures and put the account out to tender.

A short list of three was prepared: Deloitte's, Arthur Andersen and Coopers & Lybrand; each made a presentation to the Greater London Council.

Yesterday the GLC's Planning and Communications Policy Committee confirmed a recommendation that the job should go to Arthur Andersen.

The breadth of Arthur Andersen's responsibilities—it takes over with immediate effect—will include reporting on the accuracy and soundness of all financial statements and comments on internal management controls.

That is being interpreted as a direct result of last summer's report by PA International Management Consultants which said that immediate steps should be taken to tighten the budgetary process; to ensure monitoring of performance; to make more effective; and that an executive board should ensure that action results from its decisions.

In any report of this kind, the incumbent auditors always work very closely with the management consultants.

The recommendation which went to the committee yesterday

day said that in addition to the auditor's job of providing a certificate for the figures, they will also be responsible for the preparation and general accuracy of financial information.

It will in addition, monitor internal control procedures and effectively make sure that decisions taken by the Executive are in compliance with decisions taken by the GLC.

The new auditors will be asked for any comments it feels should be made on any aspect of London Transport finance and will be expected to give assurances to the Council on the basic soundness of the information it receives and of the internal control procedures of the London Transport Executive.

Deloitte's, whose auditing fees from LT in 1979 rose 25pc to £75,000, regards the audit which was up for tender as a new kind of responsibility and does not see it as merely the job which it has held for half a century being put up for offer.

A month after the critical consultants report on LT was published, Mr Ralph Bennett, the board chairman, was dismissed with three years still to run on his contract. It was expected that he would be entitled to £100,000 compensation.

Last August, Mr Leslie Cherman, a campaigner against bureaucracy who had been given the task of exposing waste in London Transport, lost his seat on the LT Board.

## ARTHUR BELL & SONS LIMITED

SCOTCH WHISKY DISTILLERS, PERTH

INTERIM FINANCIAL STATEMENT (UNAUDITED) FOR THE HALF-YEAR ENDED 31st DECEMBER, 1980

	Half-year ended 31st December, 1980	Half-year ended 31st December, 1979
	£000's	£000's
Group Turnover—excluding inter-company sales...	137,518	112,894
Scotch Whisky Division .....	127,399	101,564
Glass Container Division .....	12,460	12,534
Transport Division .....	2,387	1,679
Less: Intra Group Trading .....	142,146	115,777
	4,628	2,883
Group Trading Profit .....	13,688	11,640
Less: Depreciation—See Note 1 ..	1,198	867
	12,490	10,773
Add: Investment Income .....	5	4
	12,495	10,777
Less: Interest on loans .....	2,717	1,591
Group Profit before Taxation ....	9,778	9,186
Scotch Whisky Division .....	10,280	8,304
Glass Container Division .....	(560)	871
Transport Division .....	70	11
	9,790	9,186
Less: Intra Group Trading .....	12	—
	9,778	9,186
Taxation—See Note 2 .....	2,450	2,297
Group Profit after Taxation .....	7,328	6,889
Earnings per share .....	15.75p	14.81p

**Dividends**

The Directors have declared an Interim Dividend for the year to 30th June, 1981 on the Ordinary Share Capital of 2,332p per Ordinary Share (2.12p) amounting £1,085,818 (1980: £1,085,818). The Interim Dividend will be paid on 1st June, 1981 to Ordinary Shareholders on the Register at the close of business on 7th May, 1981. A Preference Dividend amounting to £7,700 (£7,700) was paid in the six months period to 31st December, 1980.

**Note 1**

No depreciation has been provided on the part of Freehold Heritable Properties relative to Buildings as the Board considers that such Buildings currently have a value not less than that shown in the Accounts.

**Note 2**

The tax charge for the period has been reduced by £560,000 in respect of the proportion appropriate to the six months period to 31st December, 1980 of deferred tax on stock relief released under the terms of the Inland Revenue Consultative Document of 14th November, 1980.

## TUC and employers invited to join jobs protection campaign BL chief launches attack on car imports

Sir Michael Edwards, chairman of BL, plans to enlist the help of the Confederation of British Industry and the Trade Union Congress in a campaign to protect the jobs of British car workers threatened by unrestricted imports from Japan, Spain and Eastern Europe.

The move is calculated to embarrass Mrs Thatcher and her ministers, who will see it as an attempt to force their hand. Against this, Sir Michael has already made an unsuccessful attempt to discuss the problem with Mr John Biffen, the Secretary of State for Trade.

Sir Michael told the Commons all-party motor industry EEC group of MPs on Tuesday night that he requested a meeting with Mr Biffen but had been told that

no useful purpose would be served by holding such a meeting at present, because "he cannot do anything about it."

He said he proposed to write to Mr Biffen and would send copies of the letter to the CBI and the TUC. The letters were sent last night but BL declined to reveal details.

Sir Michael said he told MPs several of whom represent constituencies housing BL factories, that Japan, Spain and East Europe sold 276,000 cars in Britain last year—more than BL's own sales. The United States and Tokyo at present taking to their opposite numbers in the Japanese Automobile Manufacturers Association. They are pressing the Japanese to reduce imports this year below their 14.9pc market share in 1980, which

broke the voluntary ceiling of 10 to 13pc.

Sir Michael also gave warning that the impact of the Budget was likely to be considerably more significant for the motor industry next year than this.

The Department of Trade said last night: "There has been no exchange of correspondence between Sir Michael and Mr Biffen. Someone from his office rang to suggest a meeting but he was told that as the department has such regular contact with BL it would be a good idea if Sir Michael puts any points he wants to make on paper before he actually meets Mr Biffen. There is no question of the Secretary of State refusing to meet Sir Michael."

Clifford Webb





## Coats Italy move attacked

The Textile Workers' Federation in Rome attacked Cucirini's move to Italy, for preparing dismissals for 560 workers and for allegedly intending to pull out of the country. Cucirini, a leading manufacturer of threads and yarns, was bought by T. and P. Coats of Glasgow in 1974.

A statement by the union said its decision to sack 560 at its main plant at Lucca in Tuscany was "a real provocation towards the workers and the union", particularly as it came on the eve of talks to implement a work agreement concluded with the company.

This British multinational "is not a firm in crisis, but has continued for years to make profits", the statement went on. And "this renders all the more unreasonable its request to make dismissals which can only be explained by a wish to abandon our country".

### Textile domination

Almost the entire cotton market in the non-communist world, probably 85 to 90 per cent, is controlled by some 15 multinational groups, according to a report today by the United Nations Conference on Trade and Development (UNCTAD). They include eight United States, five Japanese and two west European companies.

### IBM challenge

International Business Machines has challenged the legality of a European Community statement of objections to some of its business practices. The company was accused in December of abusing a dominant position in the computer market and was invited to submit a defence by April 30.

### £459m ICI expansion

ICI Australia will continue normally with its \$500m (£459m) expansion programme in New South Wales and Victoria, after a government decision not to review the level of tariff protection given to the local chemical industry.

## Slump in profits leaves banks with a headache over sale of holdings

# Why Bonn may dilute bank reform

West German bankers believe that the government in Bonn may be preparing to water down or even shelve its controversial plans to make the banks shed a large part of their holdings in industry and commerce.

They have been encouraged by a little-reported speech that Herr Hans Matthöfer, Finance Minister, made to members of the finance committee of the Lower House of Parliament last week.

In a general review of German finance policy, Herr Matthöfer said that the Government, in drawing up the reform of West German banking law planned for this year, would have to take into account the changed economic position of the country.

He stressed that he had not decided whether to follow recommendations for a "rigorous" reduction in the banks' non-bank holdings.

The debate over whether German banks would have to cut back their valuable share packets has been underway since May 1979. A commission set up to study all aspects of German banking reported to the Government that the banks' holdings should be limited in size to 25 per cent of a company's equity plus one share.

This report was quickly eclipsed by more radical suggestions. Dr Otto Lambsdorff, Economics Minister, suggested 15 per cent. Internal studies carried out by the finance ministry pointed to 10 per cent while the Social Democrat Party and the German Monopolies Commission urged a 5 per cent limit.

There appears to be a shift in opinion towards giving the banks gentler treatment — and largely because of the slump in profits that they have experienced over the past year. Bank profits have fallen while government dependence on an efficient and healthy banking system has grown.

Latest estimates suggest that Germany's net public sector borrowing requirement will be between 60,000m and 65,000m Deutschmarks this year, which, after taking interest and redemption payments into account, means that the German federal, state and local authorities may have to raise some DM120,000m gross on the capital markets. The willingness and ability of the banks to cooperate in this exercise will be vital.

Moreover the Government has grown to rely on the banks to lead to countries abroad where continuing financial support is held to be in West Germany's interest. The DM1200m loan granted to Poland last year was one example. It is doubtful whether the sale of pipeline projects would have been quite so difficult had the banks been able to count on healthy profits last year and this.

But the slump in profits has also exposed one of the big problems in any scheme to make banks divest themselves of their non-bank holdings — that of finding suitable buyers.

Among the choice pieces of equity held

by German banks are Deutsche Bank's 28.5 per cent stake in Daimler-Benz, Westdeutsche Landesbank's 28 per cent stake in Preussag and the more than 25 per cent stakes that Deutsche Bank and Commerzbank hold in Karstadt AG. To a difficult banking year like 1980 a well padded portfolio of equities can help sustain a bank's profits.

Commerzbank and Dresdner Bank, two of Germany's largest commercial banks to experience a savage squeeze on profits last year because of the tight credit policy of the Federal Bank, sold some of their non-bank holdings before the end of 1980 to produce additional earnings.

The sale of the two banks of 48 per cent of the share capital of Kaufhof AG, Germany's second largest store group, is thought to have caused some influential elements in the Social Democrat Party to think again on the wisdom of forcing banks to sell their share packets.

The Kaufhof shares were bought equally by the Union Bank of Switzerland and the Metro cash and carry company, which is controlled by a holding company based in Switzerland. UBS was given an option by Commerzbank to buy more shares before the middle of this year.

The possibility that control over a major element in the German retail trade could fall under foreign control has alarmed the cartel office in Berlin.

Peter Norman

in Brussels

## MPs seek holloware origin rule

By Derek Harris  
Commercial Editor

Pressure is growing for silver-plated holloware—tea and coffee sets, trays, vases and similar items—to be brought within the scope of the Government's origin marking order that comes into force at the beginning of next year.

The order, now passing through Parliament, will enforce marking of country of origin in textiles, clothing, footwear, cutlery and domestic electrical equipment.

When the order was before the Commons Standing Committee yesterday, there were questions by MPs why holloware had not been included in the cutlery provision.

Holloware sales in Britain amount to around £25m a year, a large proportion of them being tea and coffee sets. Probably 90 per cent of these sets, mostly reproductions of traditional English styles, come from Britain.

East sources and, after silver-plating in Britain, are marked "British made", it is claimed.

## Tate & Lyle in Peru sugar project talks

By John Huxley

Tate & Lyle is discussing with Peru plans for a multi-million pound sugar-producing venture in the Selva region of the Amazon jungle. The project is one of several under consideration involving British companies. Dr Manuel Ulloa, the Peruvian Prime Minister, said yesterday in London.

The plans, described by Tate & Lyle yesterday as "positive", centre on a turnkey contract under which the company would supply technology and machinery. No value is placed on the possible contract, but Tate & Lyle recently completed a similar venture in Swaziland at a cost of £70m.

Dr Ulloa has just ended a three-day visit to Britain which has included talks with the Prime Minister and Government ministers.

Last year, the value of Britain's exports to Peru almost doubled, rising from £24m in 1979 to £46m. Imports increased from £62m to £77m. British companies have a long history of working in Peru and are partly responsible for the development of the rail network. The Tarmac group is now part of an international consortium

carrying out a large irrigation project in southern Peru. Dr Ulloa disclosed that Peru would be meeting representatives of international banking agencies next month to discuss loan facilities. It was hoped to incorporate finance for several development programmes, especially in the agricultural sector, where output had declined over the past 10 years.

He also highlighted the energy sector's potential for expansion. Peru is self-sufficient in oil, much of which comes from the Amazon jungle, but is determined to develop other areas. The Prime Minister called on BP to participate in this development, adding that similar negotiations were under way in other areas.

Although it is actively seeking foreign investment, Peru is anxious to see the Andean Pact, which involves Ecuador, Venezuela, Colombia and Bolivia, strengthened.

Britain's exports to Peru largely comprise machinery, vehicles and chemicals, while imports from South America are accounted for by minerals, fishmeal and textiles.

## UK pressing for end to EEC steel subsidies

By Peter Hill  
Industrial Editor

Britain intends to maintain pressure on other members of the European Community to end operating subsidies to their steel industries by July 1983. Sir Keith Joseph, Secretary of State for Industry said last night.

Worse, however, higher interest rates, coupled with the higher exchange rates which have sustained, eroded profitability, and the tax revenue derived from it destroyed businesses and jobs—augmenting the deficit at both ends by reducing revenue and increasing unemployment support costs.

We now face a level of public sector spending that is expanding almost exponentially; every time the Government raises more tax and borrowing to fund it, it increases it still further by destroying more businesses, jobs and revenue.

If not stopped, that cycle has an inevitable ending. Every person and organization capable

## Overseas earnings rise forecast

By Michael Clark

Overseas earnings are expected to grow by between 3 per cent and 4 per cent during 1981, according to the tenth annual survey by the Committee on Invisible Exports.

The committee predicted that gross receipts from tourism could rise by up to 2 per cent in real terms against a 2.5 per cent rise in 1980 and a 10 per cent rise in 1979.

However, nearly all sectors expect to see a reduction in their market share of world invisible trade, which is expected to recover slightly ahead of the rate of inflation, it added.

But there is an unusually large variation between sectors in the predictions for 1981. And the banking sector's improvement in earnings is the largest forecast.

The report reveals that widely differing views were expressed by individual overseas banks.

## The 'liberalization' of an industry Doubts over effect of communications Bill

By Bill Johnstone

The decision by the Government on Tuesday to allow the suppliers of digital private automatic branch exchanges (PABXs) to maintain their own equipment in future is a big concession to the private sector.

New-style digital exchanges are playing an increasingly important role in controlling the communications of modern industry and commerce, where service and maintenance is crucial in the choice of a system.

Protestations of the Post Office Engineering Union (POEU) yesterday at the House of Commons and the concern of a number of MPs expressed during the run up to last night's debate on the report stage of the Telecommunications Bill may be premature.

The telecommunications industry is expected to expand rapidly over the next few years which might even stretch the resources of the union, since though customers will have the option of ordering equipment from British Telecom, this will be maintained by POEU members.

Since the Bill was first aired last July by Sir Keith Joseph, Secretary of State for Industry, speculation has been rife over what effects the liberalizing legislation will have on the industry.

The ideal model appears to be that of America, where competition exists on an extensive scale in equipment supply and service provision. Professor Jürgen Müller of L'École Polytechnique in Paris, has just completed a study of

the American market and has concluded that: "Customers have benefited through increased service offerings, both in terminal and network facilities. At the same time, regulatory procedures have ensured that no harm to the network took place."

Those who conclude that the same lessons could be put into practice easily in the United Kingdom are challenged by the POEU, which commissioned its own research into the American experience.

One of the union's researchers, Mr Roger Darlington, believes that it is too early to judge the success or otherwise of the American moves.

He said: "Even if it can be demonstrated that deregulation works in America—and so far it is too early to be sure—it is different matter altogether to argue that the same process would work in the same way in the fundamentally different context of Britain (and indeed most of Western Europe, which is much closer to the British than to the American situation)."

Europe may change its structure, France and West Germany are showing every indication that they may liberalize their telecommunications market. Professor Jürgen Müller, with Professor Karl Christman von Weizsäcker and Dr Gunter Knieps, from the University of Bonn, have just completed a study of the German market. They recommended that the market should be opened to foreign competition and that the Bundespost should not be allowed to compete

## LETTERS TO THE EDITOR

# Protecting pension funds against the rise in earnings

From Mr Martin Patterson

Sir, The success of the new index-linked gilt issue bears witness to the importance pension funds attach to protecting their investment return against competition from price inflation. In the event, demand was satisfied at about par affording a positive return of 2 per cent.

However, of greater significance to pension funds is protection against the rise in earnings, which has exceeded the rate of price inflation in nearly every one of the last ten years. We may therefore reflect on how much more valuable would be a state contract which offered a positive return in relation to the rate of increase in national average earnings.

In fact, as some employers are already appreciatively aware, such a bargain already exists and they take advantage of it by purchasing part of their earnings-related pensions from the state, instead of funding this part privately. It is equally open to other employers, who have previously contracted out of the state additional scheme, to act likewise if they wish.

Employers have for long been worried about the effect of inflation on their pension costs, especially when the true bill is not always immediately presented but tends to reach them after some passage of time.

The success of the linked gilt issue confirms desire on the part of companies to "play safe" to minimise their exposure to the risk of inflation which have an opportunity to But it also serves as a reminder to the same parties of this other option, the attractions of which were not perhaps fully appreciated when the new scheme was introduced.

Yours faithfully,  
MARTIN PATTERSON  
Chairman,  
Martin Patterson Associa  
Limited,  
10 Buckingham Place,  
London SW1E 6HT.

From Mr David Green  
Sir, Surely the Government requires no more than logic—unaided by a majority of the country's economists—to realise that its present course assures economic collapse as certainly as if it prints every penny of the public sector borrowing requirement.

When it took office it inherited a very substantial deficit, which it immediately increased by surrendering the yield of higher tax rates to those who previously paid them. It did nothing to reduce the absolute level of public expenditure; and while savings increased, interest rates increased, and support for the deficit, they also added directly to the deficit.

Worse, however, higher interest rates, coupled with the higher exchange rates which have sustained, eroded profitability, and the tax revenue derived from it destroyed businesses and jobs—augmenting the deficit at both ends by reducing revenue and increasing unemployment support costs.

We now face a level of public sector spending that is expanding almost exponentially; every time the Government raises more tax and borrowing to fund it, it increases it still further by destroying more businesses, jobs and revenue.

If not stopped, that cycle has an inevitable ending. Every person and organization capable

### Prospects for ICL

From Mr J. Parfitt  
Sir, Mr D. R. James (March 26) refers to the ICL's position in the UK. It would be interesting to know from whence he gets the information from which he makes his dubious assertions.

First, who has told him that Sir Keith Joseph has been going around "offering" a company which he does not own to others? That would indeed be a strange activity for a minister in a Conservative government (of which I am an active supporter).

If Sir Keith is aware that the experts have ruled out the hope of ICL being a viable concern, it was certainly not reflected in his statement in Parliament that "he had been advised by the management and the banks that the two-year period is sufficient". Perhaps Mr James knows better and is making the grave allegation that Sir Keith has lied to the House? I wonder who Mr James's "experts" are—the employees of foreign companies?

Secondly, Mr James says that "the company has been unable to compete profitably in a previously protected (single-tender) market". Has he not noticed that ICL has made profits from 1968-1980 and that some 6 per cent of ICL's business has come from the government single-tender market, representing substantially less than the subsidies given one way or another, by the United States, French and Japanese governments to their own indigenous computer industries? And does he really

think that the United States government (for instance) would allow its main cash-collecting system to be operated on equipment supplied, supported and maintained by a foreign company?

Third, has Mr James also noticed that a few household names, not only in the United Kingdom (including some highly reputable United States computer companies) have recently reported losses or substantially reduced profits? Is he suggesting that they should simply lie down and die in the face of an onslaught from the Japanese—or anybody else—rather than tread their way out of trouble? Or, in the particular case of ICL, part with a £2,000m installed base and one of the best product ranges in the business—the fruit of many hundreds of millions of research and development—to a foreign concern for £80m?

Finally, having declared my political interest, I will also declare that I am an employee of ICL and that I am heartily sick and tired of having to cope not only with the real problems of the industry and legitimate competition from other firms but also with unscrupulous clamour from such as Mr James, who since he appears to work for the industry might legitimately be asked—doing what and for whom?

Yours faithfully,  
JOHN PARFITT,  
86 Higher Drive,  
Purley,  
Surrey CR2 2HJ.

### HMSO publishing costs

From Mr Edward T. Rose  
Sir, Criticisms of the prices of HMSO publications contained recently in your letters columns are based upon unfair comparisons. Even in the private publishing sector the price of a book depends upon the popular appeal of its contents.

Most of the costs of production are incurred during the many stages leading up to actual printing. Once a modern printing machine has been made ready and the button is pressed to "run", the additional cost per thousand sheets is relatively low.

When the unit selling price is then calculated, the printing costs must be apportioned between all the copies printed; hence the price will be high if the number of copies is low. But the number of copies ordered from the printer will depend upon an estimate (or more likely a "guesstimate") of the public demand for the publication.

However, indignant correspondents may be at the price of the HMSO publications that they need to buy, would they advocate a "socialist" policy of pricing which allowed them to buy specialist publications at a loss to HMSO, to be recovered from the rest of us through a higher price for, say, the Highway Code? I think not.

Yours faithfully,  
E. T. ROSE,  
2 Fawcett Close,  
Alisbury,  
Coventry,  
CV5 9BH.

### Tax refund

From Mr D. H. McPherson  
Sir, As the Chancellor is intent on retrospective taxation of banks and oil companies, perhaps he should include legislation, retrospectively, for the refund of income tax paid by shareholders on the "windfall" dividends paid by oil companies in 1979/80. Or will he?

Yours faithfully,  
D. H. MCPHERSON,  
6 Abercromby Place,  
Edinburgh EH3,  
March 21.

## Costly postage stamp decision

From Mr E. J. Canning

Sir, There seemed to me small consolation when higher postal rates were introduced in January. For time ever, the first-class postage rate for each graduation of as far as the fifth stage grammes. This meant small business no longer to stock different sizes of each weight of letter, but simply buy two denominations the basic 14p and the 6p simple for all concerns including the Post Office.

As a result, the stamps and you will learn there are no longer issued, been withdrawn, would lieve. Just before the new rate was introduced, I must buy twice the 3p stamps. Thus for this final denomination the Office has doubled its printing, storage, distribution and handling costs. Sir, political parties come and they may go, I country will not get a chance until the official make this sort of data d available and p accountable.

Yours faithfully,  
E. J. CUNNINGHAM,  
6 Marvell Lane,  
Grove Park,  
London SE12 9PA.

North Sea oil revenues

From Mr A. Beaumont  
MP for Selly Oak (Con  
tive)

Sir, There is much talk many speeches by senior Ministers and other luminaries North Sea oil revenue be used for the restructuring of the economy, building better and more caring etc., etc., as though it were in the bank u because no one knows w do with it.

Ever likely my fellow-travelers are confused if better are so confused selves.

The argument is a snarl delusion because the veryicians that traipse their science around the co talking as only they are people and the mail where all the revenue from North Sea plus another billion we have not earned used already.

Until we live some nearer our means there is spare oil revenue to restore industry much as I there is a desperate ne.

The Chancellor's realism not a sign of not caring, sooner he receives the su he deserves and this co needs, the sooner Britain be able to be a caring so again.

Yours faithfully,  
ANTHONY BEAUMONT,  
House of Commons,  
London, SW1A 0AA,  
March 23.

Registry of business names

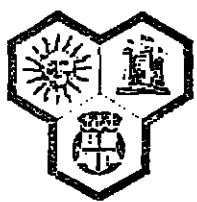
From Mr Jack Moss  
Sir, Mr Jeremy Mitchell in Times of March 26 right claims that it would be a good idea to abolish the Registry of Business Names.

He referred to several but that use the service on a regular basis but omitted to inch the trade unions.

It has been for me a valuable source of information particularly for tracing the player who has abandoned ship with unpaid wages, accrued holiday pay and other entitlements.

As a result, redress has been more speedily secured through the courts or industrial tribunals.

Yours faithfully,  
JACK MOSS,  
London District Secretary,  
Furniture, Timber & Allied Trades Union,  
14 Jockey's Fields,  
Holborn,  
London WC1R 4BP,  
March 27.



## SUN ALLIANCE INSURANCE GROUP

The audited results for 1980 are as follows:—

	1980	1979
Premium Income	£m	£m
General Business	559.2	546.1
Long-term Business	143.3	136.5
	<b>702.5</b>	<b>682.6</b>
Underwriting Result—General Business	(18.4)	(26.4)
Long-term Insurance Profits	5.4	4.9
Investment Income	81.5	70.2
Other Income	0.8	0.4
<b>PROFIT BEFORE TAXATION</b>	<b>69.3</b>	<b>49.2</b>
Taxation	27.8	17.8
<b>PROFIT AFTER TAXATION</b>	<b>41.5</b>	<b>31.4</b>
Minority Interests	0.3	0.4
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>41.2</b>	<b>31.0</b>
<b>DIVIDENDS</b>	<b>16.3</b>	<b>13.8</b>
<b>PROFIT RETAINED</b>	<b>24.9</b>	<b>17.2</b>
<b>EARNINGS PER SHARE</b>	<b>83.6p</b>	<b>62.9p</b>

GEOGRAPHICAL ANALYSIS OF GENERAL INSURANCE BUSINESS RESULTS

	1980	1979		
	Premium Income £m	Under- writing Result £m	Premium Income £m	Under- writing Result £m
United Kingdom and Ireland*	374.2	(4.5)	319.0	(16.0)
Europe 2	79.4	(5.6)	56.9	(5.3)
U.S.A.	61.7	1.0	62.0	0.6
Canada	16.3	(3.0)	15.9	(1.0)
Australia	25.6	(6.0)	22.5	(0.1)
Other Overseas	42.0	(0.3)	40.8	(4.4)
	599.2	(18.4)	546.1	(26.4)

\* Including international Marine and Reinsurance business written in the U.K.

### UNDERWRITING RESULTS

On general business, premium income increased by 9.7%. Excluding the effect of changes in exchange rates, the underlying growth was 16.3%.

Results in the United Kingdom benefited from favourable weather conditions: the personal and commercial property accounts were profitable. Experience in the liability and motor accounts remained poor and underwriting losses were also incurred on the engineering and reinsurance accounts.

In Europe, underwriting conditions continued to be difficult and, although there was an improvement in Holland, most territories showed increased losses.

Better results were achieved in the main property and casualty classes in the U.S.A. but in Canada all major classes of business suffered underwriting losses.

In Australia, the substantially increased underwriting loss was mainly attributable to workers' compensation business.

Elsewhere overseas, exceptional losses were fewer but experience was generally poor.

The 1978 Marine, Aviation and Transport Account was closed with a profit but in view of more recent unprofitability no transfer has been made to Profit and Loss Account.

### LONG-TERM INSURANCE

There was an increased contribution from the main Life Fund following the valuation as at 31st December, 1980.

### INVESTMENTS

Investment income increased by 16.0%. The underlying growth, after allowing for changes in exchange rates, was 20%.

The Group's solvency margin at the end of the year, following a revaluation of the general fund properties, was 95%.

### DIVIDEND

The Directors have resolved to declare at the Annual General Meeting on 20th May, 1981 a total dividend of 33.0p per share in respect of the year 1980. An interim dividend of 15.0p per share was paid on 5th January, 1981 and the final dividend of 18.0p per share will be paid on 6th July, next.

The total dividend, with the appropriate tax credit, will be equivalent to a gross distribution of 47.143p per share, compared with 40.0p per share for 1979. Full Accounts and the Chairman's Statement will be posted to shareholders on 24th April, 1981.

1st April, 1981.

LONDON BOROUGH OF  
**HACKNEY BONDS**  
**12 1/2% TRUSTEE SECURITY**  
**13% NO RISK OF LOSS OF CAPITAL**  
MIN £300  
2, 3 OR 4 YEARS  
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Stoke Newington, N16 0UR. Tel: 01-801 1282,  
Ext. 306 or 343.



BY THE FINANCIAL EDITOR

## Hobson's choice for the banks

cession, and the financial pressures on the corporate sector, present something of Hobson's choice for British banks. Either they go on supporting companies over and over, or they are forced to liquidate them. There is no middle ground. Or they bring in the receiver and probably whistle goodbye to their money altogether.

Discretion is proving the better part of valour at the moment. There have been few of the headline-catching bankruptcies many feared. Even if the number of failures in the non-quoted smaller company sector suggests the banks are not quite as accommodating as they once were.

In many ways that attitude is justified. It is a big change over the past decade when the increasing involvement of banks in industry as they have developed medium-term loan packages.

Bank borrowing now accounts for two-thirds of industry's gross borrowing needs, against less than a half in the 1960s. Moreover, there is every indication that the corporate sector is doing its level best to struggle through. Redundancies, closures and, most important, the most vicious docking in memory have yielded an overall financial position that is quite encouraging. So, unlike during the secondary banking collapse, the banks have some confidence in thinking that they will not be throwing good money after bad in extending support for struggling companies. The list of concerns that would have gone under without their friendly bank manager to turn to is lengthening daily with yesterday's packages for British Printing Corporation and Weir Group, among others.

But the key issue is the way the banks are becoming steadily locked into British industry as they replace straightforward lending propositions, with known repayment rates, with equity or quasi-equity deals of one sort or preference shares or the other. Certainly none of the packages so far put together is of a short-term nature offering a quick escape from the equity trap. It is worth noting that our financial structure is undergoing a radical transformation and possibly for quite the wrong reasons.

### 3PC Mr Maxwell's return

aving steam-rollered himself into the boardroom at BPC, Mr Robert Maxwell has already secured City and union support for an ambitious rescue scheme.

It is every bit as tough as expected. Ordinary shareholders must approve a two-thirds dilution of equity; debenture holders



Mr Robert Maxwell (left) explains as BPC's new chairman, Lord Kearton, listens. Details of the Maxwell scheme to save the printing group were unveiled in London yesterday.

ust accept repayment at par. Meanwhile, national Westminster has already agreed to increase its lending exposure and the Takeover Panel will waive its normal "full bid" requirements for the scheme. This will allow Mr Maxwell's private Pergamon group a 77 per cent stake in BPC.

But BPC's balance sheet, showing debt of £4m against shareholders' funds of £41m—on before a £14m provision for Mr Maxwell's rationalisation plans—after a net loss of £12.1m, show that receivership is the alternative. And certainly the BPC board investigated a good many alternatives before admitting Mr Maxwell.

At the same time Mr Maxwell's personal financial commitment to turning BPC round substantial. With the £10m cash injection, Pergamon will have invested a total of £14m. Pergamon's latest profits were only £4.5m

pretax and just over £2m at the attributable level. The company has bank balances of £3.4m. It seems that a large part of the cash injection is likely to be financed by advance subscriptions shown in the Pergamon accounts to have risen from £6.4m to just under £12m.

With the NatWest's support and the soothing profile of Lord Kearton in an unpaid capacity at BPC's helm, shareholders' approval for the package looks assured. But it is still an open question whether a streamlined BPC honed down to its mainline printing operations can win back the contracts, particularly in the catalogue business, which have been moving wholesale to European competitors in recent years.

For that reason, the shares, down 11p to 17p, are a straight gamble. Those shareholders who choose to stay should remember they are now part of a minority.

### Weir Group Confidence had to be restored

Closures and losses over the past two years have knocked such a gaping hole in Weir's balance sheet—shareholders' funds have been cut from £48m to £26m and gearing has been pushed up to 168 per cent—that the group's bankers have been effectively carrying it for the past six months. Some form of capital reconstruction had become vital to restore the confidence of customers, many of whom place contracts up to two years ahead.

The main plank of Weir's case for support from its bankers is that, while its difficulties have been exacerbated by recession, high interest rates and so on, its real troubles stem from management shortcomings in the all-important pumps division. It was the £5.5m turnaround to trading losses of £2.5m in 1980 here, along with the 65 per cent surge in interest charges to £7.3m around three fifths of which arise in the pumps division, that caused last year's £10.3m turnaround to pretax losses of £8.3m. Following the management overhaul and redundancies, which will save £10m in a full year, there is every hope that the cash haemorrhage has now been staunch.

The hope now must be that the reconstruction, involving a 1-for-1 rights to shareholders to raise £6.2m, the banks swapping £10m of loans for preference shares, the deferment of £1.6m of loan capital repayments and further bank facilities, will result in Weir being properly capitalized.

But the costs of servicing the preference capital are heavy so dividends on the ordinary shares look unlikely for several years, and the market capitalization of £55m with the shares down another 21p to 23p is looking nothing on chance. One simply wonders how Weir's bankers and institutional investors allowed it to get into such a mess in the first place.

### Reckitt & Colman A fast finish

Reckitt & Colman has demonstrated that it too knows how to put marketing muscle behind familiar fast selling brands and keep the total promotion bill within bounds.

But the market, taking its cues from a first-half fall in pretax profits of 10 per cent and expecting no better than 18 per cent recovery in the second half to raise 1980 profits £2.16m to £53.17m. The shares shot up 10 per cent to 238p. Last September they were 196p. On an unchanged dividend the yield has dropped to little more than 5 per cent and the shares are once again at a premium to the market thanks to institutions topping up their holdings after dismissing the stock as ex-growth. Pretax profits were, after all, £56m in 1976 and a peak £60.6m in 1978.

This year Reckitt could make around £61m. The group simply admits to a brisk finish to United Kingdom business in last year's closing months as restocking charges should drop after their jump from £8.53m to £14.38m in 1980, and the pound could sink against the United States dollar, the Australian dollar and the South African Rand.

Reckitt benefits from booms in Australia, Nigeria and South Africa: of last year's £56m profit before tax and corporate interest, £26m came from Australasia, the rest of Asia and Africa. But uncertainties abound. Shareholders may want further evidence of dynamism from Reckitt before pushing the shares beyond 250p.

## Economic notebook

### Has monetary policy been too lax?

The combination of rapid growth in sterling M3, falling inflation and a severe recession, is causing disagreements among monetarists about whether monetary policy has been too loose or too tight. That in turn is leading to sharp divisions of opinion about the likely prospects for inflation next year.

The Government's view is clear. It believes that the 19.6 per cent growth in sterling M3 in 1980 will not push up inflation, particularly in the catalogue business, which have been moving wholesale to European competitors in recent years.

For that reason, the shares, down 11p to 17p, are a straight gamble. Those shareholders who choose to stay should remember they are now part of a minority.

There are two reasons for this view, which is certainly held by the Bank of England. One is purely technical. Last year saw

**'It is hard to avoid the conclusion that if any indicator of the quantity of money tells us about how prices will move, the broad definition of money are the ones we should look at—and they seem to point to 15-16 per cent inflation'**

the end of the "corset", which meant that bank lending which had occurred outside the control of the authorities came back into the money supply figures which therefore showed a distorted rise.

That is clearly true. There are various estimates on the largest it does not explain more than a small part of last year's monetary growth. A paper published this week by economists at the City University suggests that about 3 per cent of the increase in sterling M3 can be put down to problems caused by the corset. That still leaves monetary growth at nearly 17 per cent during 1980.

The table shows that the "narrow" definitions of money, M0 and M1, grew at rates of smaller growth in 1980 than did all of the wide definitions. In looking at money supply figures the safe rule is the higher the number after the letter M, the more components are included.

The figures for PSL1 and PSL2 include an even wider range of ways in which people can hold their wealth than does sterling M3. For example, deposits in building societies are included.

The letters PSL stand for private sector liquidity and many economists feel that it would make sense to look at this when examining the likely developments of the economy. All of the measures of money growth in the money supply or liquidity grew fast in 1980. A second line of argument used by defenders of the "official" position is that sterling M3 is not, for a variety of reasons, likely to give us a good indication of monetary stance.

In support of this view it is pointed out that some of the narrower measures of money supply, such as M1, have been growing much less rapidly. The high level of real interest rates (that is, nominal interest rates minus the rate of inflation), the rising exchange rate and the physical symptoms of an economy moving into recession, are all cited in support of this argument.

We can dismiss the evidence of slow growth in M1 pretty quickly. This is caused by the fact that it does not include interest-bearing deposits. With

minimum lending rate at 16 per cent for much of 1980, it was natural that people would switch their cash away from accounts where it was not earning interest.

The other evidence is more serious. It really boils down to the fact that the economy did not react as if it was awash with money during 1980. It is this which seems to have convinced the visiting team from the International Monetary Fund that sterling M3 was not a reliable indicator when they visited here before Christmas.

But the City University team has performed a useful function in reminding us of just what monetary theory tells us. The first point they make is an empirical one. It is that sterling M3 has a better track record in predicting inflation rates than does any of the narrower definitions of money supply. This, as they accept, does not tell us that monetary growth causes inflation. Both phenomena could be caused by some quite different factor.

It does, however, explain why the Government originally chose sterling M3 rather than any other monetary indicator. It also says why, of all the broad definitions of money, the ones we should look at and they would all seem to point to inflation at around 15 to 16 per cent at some point in the future if inflation rates move in step with money supply after a period of time.

That is a big if, however, and it is one which is being stressed very strongly at present by the Government and particularly by Mr Lawson. His argument is that although money supply grew fast last year, this was simply an adjustment to ravages of inflation.

In other words, rising prices had eaten into the real value of the financial assets which people and institutions hold. They used 1980, with its big rises in earnings and high level of savings, to restore those assets. They are now back to some "normal" level and they will stay there. In other words, the money will not be spent.

That leaves very little of what we know as monetarism. It comes down to the proposition that growth in the money supply causes inflation unless it does not. For reasons which are not clear 1980 was one of the

years when it did not generate higher prices in the future.

The predictions of high inflation by the City University team have been greeted by supporters of the Government as if they were in rather poor taste. Why split ranks at a time when the policy is under attack from outside. But the policies we have been pursuing were adopted because a monetarist analysis of inflation was accepted.

If that analysis was right, we may as well face up to the consequences. And if the inflationary outlook for the next few years is rather better than that, as seems likely using more "Keynesian" models of thinking, we ought to draw the logical conclusion that it is monetarism which is at fault, not those who apply it logically.

How tight was monetary policy in 1980? City University, Centre for Banking and International Finance.

David Blake

years when it did not generate higher prices in the future.

David Blake

David Hewson looks at the problems encountered by West Indians and Asians in the East End of London

Mr Dudley Dryden, outside his Hackney shop this week.

Photograph by John Manning

## Barriers in the way of black businessmen

Hackney has been a home to immigrants since the East End of London came into being as the shabby industrial overspill from the more refined quarters of the City during the last century.

In the early days its inhabitants came from other parts of Britain; later there were Jews from Russia and eastern Europe, followed by Cypriots emigrating from what was then a British territory.

Today it houses around 30,000 West Indians, by far the largest single ethnic group in the borough's 200,000 population. Some are first generation immigrants; many are British-born. Like everyone else in the East End, they face the sort of problems one associates with one of London's most depressed areas.

Unemployment in Hackney is more than 11 per cent compared with an average for the South-east of 7 per cent, and a disproportionately high number of blacks are in the dole queue.

The problems of racial discrimination and disadvantage in such areas have been well aired and investigated. But, remarkably enough, few people have seen fit to ask how successful these minorities are in the world of business.

Hackney seems a particularly apt place for such a study, since its previous immigrants, the Jews, were noted for their entrepreneurial skills.

Today's ethnic minorities are noticeably less successful. When the Hackney Business Promotion Centre joined with the local Council for Racial Equality and national Commission for Racial Equality to investigate the state of local business, it discovered that only 321 of the 7,300 businesses in the borough were owned by people from ethnic minorities.

All were small businesses, employing on average, four people. The majority were in the retail sector—restaurants, wholesale and retail groceries, hairdressers and travel agents.

A few entrepreneurs had moved into new types of business like clothing, furniture manufacture and printing during the past three years, and many more wanted to follow suit.

But the study concluded that four problems had inhibited the growth of minority business in Hackney and other parts of Greater London, where there are large West Indian and Asian communities.

Capital formation was difficult for the West Indians because few had arrived in this country with much money or had the opportunity to build up savings in recent years. There were complaints that sometimes the banks, building societies and other financial institutions asked for unusually high security for loan and overdraft facilities.

The second problem was that entrepreneurs from the ethnic minority groups had little management experience. A further difficulty was that minority businesses had to endure attacks on their premises by racist groups and unwillingness by some landlords to rent property to them.

In the interest of research, I alerted Professor Rees to a new disease isolated by me in north-east London only yesterday. I shall call it Bartsitis.

The principal sufferer is a delightful lady of 70 called Miss Lucienne Inglis, and her symptoms are anxiety attendant upon a rash of phone calls from people confusing her number with that of Barts (600-9000).

Miss Inglis, who told me she had already had three calls yesterday morning by the time I mislaid her (confused by the rotten printing on Barts' letter-heading). Gently, saying "I get so worried in case the people want Barts urgently."

At first Professor Rees thought I was kidding her, but when I produced Miss Inglis' name and number, she said: "Oh, this is terrible. I'll see if I can report it to the medical council this afternoon."

Ross Davies



Mr Dudley Dryden, outside his Hackney shop this week.

Photograph by John Manning

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## FINANCIAL NEWS

## German merger for R P Martin

By Rosemary Unsworth  
R. P. Martin, the money broker, is to merge with Bierbaum, the German money broker. The shares were suspended on Monday at 184p putting a market capitalization of £7.5m on the group.  
The merger, subject to shareholders' approval, involves the purchase of a 55 per cent stake in Bierbaum by R. P. Martin through the issue of 5.2m new 5p ordinary shares. This would bring the number of issued shares to 9.3m.  
The five Bierbaum partners, who will join the R. P. Martin board, will then hold 62 per cent of Martin's equity, including the 15 per cent they already own. They originally bought a 29.9 per cent stake in concert with Mr Thomas Whyte, former chairman of Triumph Investment Trust, and Mr Gunter Kreisel, a German industrialist. But merger talks which were taking place broke down in January when R. P. Martin resisted Mr Whyte's involvement.  
On Monday Bierbaum and Mr Whyte announced that they were no longer acting in concert.  
Within the next 12 months Bierbaum will place 1m of R. P. Martin's shares and reduce its holding to about 51.7 per cent.  
This will help the Bierbaum partners to provide a cash contribution to the combined group of about £800,000 so that their share of the equity corresponds to their earnings contribution and net assets.  
The merger will also remove unlimited liability from the Bierbaum partnership.  
When the merger is complete, Mr Whyte and Mr Kreisel's combined holding will be reduced from 7.45 per cent to 3.3 per cent, and the present R. P. Martin board and associates will hold about 10 per cent, with Touche Renneaux holding another 10 per cent.

## Berisford bid expected next week

By Michael Prest  
Commodities Correspondent  
British Sugar Corporation is bracing itself for a renewed bid from S & W Berisford, the commodity traders, at the beginning of next week. Yesterday BSC issued a statement reiterating its belief that a takeover by Berisford would be bad for its customers, employees and shareholders, and for sugar beet farmers.  
The statement caused some selling of BSC shares in the stock market and the price fell 5p to 385p. But it is understood that BSC is expecting a bid of about 330p a share, the level that has been mentioned in the market.  
BSC considers this price too low. In yesterday's statement the corporation said that the narrow criteria of public interest on which the Monopolies and Mergers Commission was required to make a decision would not be the same as those by which shareholders should judge the matter.  
Sir Gerald Thorley, chairman of BSC, said that the commission had identified some adverse effects of a takeover by Berisford and that no criticisms had been made of BSC. But over the last few days Berisford has been clearing the decks for a bid. The company is believed to have met Mrs Sally Oppenheim, Minister for Consumer Affairs, to discuss the conditions for a bid laid down in the commission's report.  
These conditions are that BSC be preserved as a separate operating unit reporting as much information in the Berisford annual report as it had in its present form and that Berisford cease trading sugar produced by Tate & Lyle.

## Graylaw in £4m sale to Westminster Property

By Peter Wainwright  
Westminster Property Group, where Marchwiel has a 13 per cent stake, is buying twelve properties from Graylaw Holdings, for £3.8m. They are independently valued at £4.07m. The contract depends on ordinary shareholders in Westminster agreeing at an extraordinary general meeting in three weeks time.  
The majority shareholder in Graylaw is Mr Victor Gray who is also a director of Westminster. Mr Stanley Grafton is also on both boards. Mr Robert Rowan is a director of Westminster and is Graylaw's company secretary. So they took no part in the negotiations and they will abstain from voting at the meeting in respect of 5.8 per cent of the issued capital.  
The rest of the board was advised on the properties by Jones Lang Wootton, and on the overall deal by County Bank. The portfolio consists of five developed properties to be held for investment, three being developed, and four to be held for development.

## Stock markets

## Hectic buying in recovery shares

The view that the recession is over was the trigger for a fresh burst of institution buying yesterday. Prices broadly advanced in most leading equities and particularly strong demand saw shares in the engineering sector moving ahead. Dealers reported hectic buying in recovery stocks.  
But the opening was cautious until a batch of good company results, particularly in the insurance sector, started the upward trend.  
Optimism extended to hopes of further cut in interest rates generated by the 1 per cent cut in prime rate to 17 per cent at Chase Manhattan.  
Many jobs, however, consider the exaggerated price movements as a technical rally. They look for some downturn in the financial year next week. However, for now the FT index continued its upward climb. By noon it was up to 531.5 but it finished the day at 529.8, an increase of 1.7 points from Tuesday's close.  
The improvement in sentiment spilled over to gilts where dealers reported firmer opening prices. In long term there were gains of up to £3 to £4 in the morning but after some selling they closed about £1 easier. Conventional, however, are still overwrought after the stout of trading results later this month.  
Advanced 6p to 318p, GKN put on 3p to 147p and Tubes added 6p to 212p. Metal Box was 4p higher at 190p and Lucas picked up 9p to 198p. But the higher than expected profits from Reckitt, 3p Colman lifted the shares 22p to 238p.  
Persistent demand for second-line recovery stocks in the engineering sector was enough to see broad gains in most shares. The main dividend from Babcock International pushed the price up 10p to 125p. Motus, better-than-expected results, added 7p to 130p. Also on figures ADV was up 12p to 250p. B. Elliott rose 16p to 178p. Matthew Hall 8p to 364p. McKee 10p to 120p and Haden Carrier 14p to 272p.  
However Weir Group, after the release of reconstruction plans, eased 21p to 231p and Dnppont returned from suspension 4p lower at 8p. On the news of its £10.4m rights issue, Spirax-Sarco held steady at 82p. Bestobell still drew strength from recent figures with a 4p rise to 426p.  
The Government's decision to allow private contractors to maintain telephone exchanges stimulated electricals. Telephone Rentals jumped 19p to 310p. GEC was up 10p at 686p and MK rose 8p to 226p.  
Results from the four big composite insurance groups pleased the market and dealers reported reasonable turnover. The dividend increase and good profits from Sun Alliance sent shares up 40p to 814p and better-than-expected figures from Guardian Royal Exchange saw a rise of 8p to 348p. Phoenix Assurance gathered 4p to 276p and Legal & General, after the disappointing results from Prudential last week, rose 6p to 246p.  
The banking sector held steady despite the shadows of the pay dispute. Barclays closed unchanged at 333p. N. 356p. Midland added 2p to 330p. Royal Bank of Scotland was down 1p at 137p.  
In a firm property Peachey gained another 16p still in response to Tuesday's M&P 1p to 245p and Ham & Co advanced 5p to Land Securities was up at 427p.  
Encouraging reports for annual meeting of Pleas this week boosted shares 250p. Others in the sector did well with H Travel moving 12p up to 188p and on the t. and Saga Holidays rising 300p.  
Thin trading conditions Chapman & Co (Ballan) to 161p and motor distributor Godfrey Davis up 6p. Looking ahead to figure this month's turnover to 188p and on the t. nuclear contracts H Group was 3p firmer at Good trading results Macfarlane saw a 4p rise and Phicom was also up, 36p. On better profits added 4p to 175p.  
Submarine attracted buyers and Inch Kenneth 14p to 215p.  
Equity turnover on Ma was £164.45m (30,599 bars). Active stock according to the Telegraph was S&P, GEC, Plessey, De L. RTZ, Erection, Cons Ismo, Turner & Newall I.C. Gas, B2, Charterhall, A. Marks & Spencer, en. Food and Tricelot.  
Traded options: A dov in activity saw total call fall from 2,435 to 1,589. sought after were GEC contracts followed by Gold Fields with P & O 2.  
Traditional options saw made in ICL, Amalgamated Pilled Products, Intervisio Grindlays Holdings doubles were completed 1 Dunlop and Premier.

## Guardian Royal Exchange Assurance

## Results for 1980

Subject to audit the results of Guardian Royal Exchange Assurance Limited for the year ended 31st December, 1980 are as follows:

	1980	1979
£m	£m	£m
Investment Income	99.0	90.3
Less Interest Payable	9.6	7.9
	89.4	82.4
Underwriting Results		
Short-term (Fire, Accident and Marine)	(10.6)	(13.6)
Long-term	8.3	7.0
	(2.3)	(6.6)
Profit before taxation	87.1	75.8
Less taxation	34.9	33.3
Profit for year after taxation	52.2	42.5
Less Preference dividend and Minority Interests	1.7	1.7
Profit for year after taxation available to Ordinary shareholders	50.5	40.8
Ordinary Dividends		
Interim 6.0p per share	7.5	6.3
Proposed Final 9.5p per share	12.0	10.7
Total 15.5p per share (1979: 13.5p)	19.5	17.0
Profit transferred to Retained Profits	£31.0m	£23.8m
Earnings per Ordinary share (after taxation)	40.1p	32.4p

## Results by Territories (before taxation)

	Net Premiums	1980 Underwriting	Investment Income	Net Premiums	1979 Underwriting	Investment Income
	£m	£m	£m	£m	£m	£m
Australia	29.5	(1.8)	4.9	25.5	(0.1)	4.7
Canada	49.0	(2.6)	5.0	47.3	(1.9)	4.8
Germany	113.5	(5.2)	12.6	130.1	(5.4)	14.1
U.S.A.	45.9	2.3	5.0	20.9	0.7	3.1
U.K.*	324.4	7.0	41.0	275.2	—	35.6
Other Territories**	164.0	(10.3)	20.9	161.7	(6.9)	20.1
	726.3	(10.6)	89.4	660.7	(13.6)	82.4

\* Includes Marine and Overseas risks written in the United Kingdom  
\*\* Includes Reinsurance and Republic of Ireland

Exchange Rates	1980	1979	1980	1979
	Australia	Germany	Australia	Germany
	2.03	2.01	4.70	3.83
	2.85	2.59	2.39	2.22

The above results include for the first time the figures for Midwestern Fidelity Corporation in America and since 1st July, 1980 those of Union National South British Insurance Company Limited, this company having merged with our South African subsidiary at that date.

The United Kingdom result was good despite a heavy loss in Marine business, and our recent acquisitions in America had an excellent year.

In Australia and Canada results were poor and the figures do not indicate the severity of our experience in that the reinsurers of our companies there have shared in the bad experience. In other territories we had serious set-backs in certain Overseas Agencies—hurricane 'Allen' alone costing £1.5m—and through some inwards reinsurance business.

The result from France improved but still showed a loss of almost £1m. The effect of exchange rate fluctuations was to reduce premium income by £60m and investment income by £8.2m. The latter

also suffered from a sharp drop in the profits of Brosley Property Holdings Limited whose house-building activities were hampered by the current economic difficulties. Profits from the long-term business rose satisfactorily again.

## Dividend

The Directors recommend the payment of a final dividend which, with the interim payment made in January 1981, will constitute an increase of 14.8% compared with the dividend paid in respect of the year 1979.

If approved at the Annual General Meeting to be held on 27th May, 1981 a payment at the rate of 9.5p per share (gross equivalent 13.57p) in respect of the final dividend will be made on 3rd July to holders of Ordinary shares whose names appear on the register at 3 p.m. on 8th May, 1981, making with the interim payment in January last, a total of 15.5p (1979: 13.5p) per share (gross equivalent 22.14p; 1979: 19.26p).

It is intended that the period between distributions shall be six months so that the final dividend will be paid early in July following the interim payment in early January.

The Annual Report and Accounts will be posted to shareholders on 30th April, 1981.

**Guardian Royal Exchange Assurance**

Royal Exchange, London EC3V 3LS

"One of the world's great insurance companies"

## Briefly

Bladen and Noakes (Holdings): Mr J. K. Noakes, chairman, says the company is in a strong position to seek every possible economy in our operations and I am quite certain that rest of this year we shall make further substantial savings. He hopes there will be a marked upturn during second half and this will be rapidly reflected in figures.

Line of credit for Portugal: United Kingdom companies will be able to obtain finance for exports of United Kingdom capital goods and associated services under a new line of credit guaranteed by the Export Credits Guarantee Dept. Loan to Sociedade Financiera Portuguesa (SOFIN) of £9.0m available by N. M. Rothschild and Sons.

William Nash: Turnover for 1980, £12.02m (£11.58m), Pretax profit £101.0m (£79,000). Earnings per share 108.4p. Dividend 14.2p gross (17.1p).

Rosehaugh has contracted to purchase further 24.5 per cent of issued share capital of its subsidiary Tolverne Investment for £585,000. This will increase Rosehaugh's shareholding in Tolverne to 77 per cent. The total consideration of £585,000 will be satisfied by a placing of 183,598 new ordinary shares.

Sater Electrical: Resolution to sanction increase in company's share capital, increased borrowings and purchase of Prestcold Holdings was passed.

BOC International: In connection with acquisition of Software Sciences International in December 1979, a further amount of £2m has become payable as consideration. This is to be satisfied by the issue of 1,696,537 ordinary shares.

P. and J. L. Braine (Hides): In his annual review, Mr James L. Braine, chairman, states that trading considerations deteriorated sharply from end of July and short-term working has been in operation since September. Prospects for 1981 are not encouraging. Demand is being maintained at average level and last three months of 1980 and is unprofitable.

H. Woodward and Son: In his annual review, Mr G. C. Gutteridge, chairman, states that the board is concerned with current year's trading, and having regard to continuing recession and rising overhead costs which are beyond his control, it would be foolish to make any forecast for the current financial year.

## Latest results

Int or Pile	£m	Earnings	Div	Pay	Year's
Company	Profit	per share	per share	date	total
Balcocks (F)	15.3 (21)	3.5 (5.1)	3.5 (5.1)	7/7	15.3 (21)
Guardian Royal (F)	87.1 (5.8)	40.1 (32.4)	9.5 (8.5)	3/7	15.3 (13.5)
Hilltons (F)	15.5 (12.2)	13.3 (10.7)	3.4 (3.4)	1/6	4.7 (4.7)
Legal and Gen (F)	27.3 (17.5)	—	6 (5)	—	9 (7.6)
Macfarlane (F)	12.0 (15.9)	20.1 (18.8)	20.1 (18.8)	20/5	7.9 (7.9)
Molins (F)	12.0 (11.1)	8.9 (11.0)	22.5 (27.8)	5/7	10.0 (12.0)
Wm Nash (F)	12.0 (11.5)	0.1 (0.67)	90.0 (108.4)	4/5	—
Phicom (F)	34.0 (33.4)	1.0 (1.12)	0.55 (0.55)	1/1	14.9 (13.3)
Phoenix (F)	32.1 (32.1)	5.9 (4.9)	47.0 (38.2)	10/—	25.0 (22.8)
Provincial Ins (F)	—	53.1 (51.0)	21.7 (22.5)	5/5	8.5 (8.5)
Reckitt & Colman (F)	72.1 (66.4)	41.7 (38.5)	22.5 (12.6)	2/7	4.4 (4.4)
Spirax Sarco (F)	—	69.3 (49.2)	18 (14.5)	6/7	33 (28)
Sun Alliance (F)	163.6 (160.3)	—	—	—	—
Weir (F)	—	—	—	—	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.438. Profits are shown pretax and earnings are net. — Adjusted for scrip.

## Spirax plans £10.5m rights issue

By Catherine Gunn

Spirax-Sarco, the Cheltenham-based fluid control equipment group, is to raise £10.5m by a one-for-four rights issue, at 145p a share. The money will be used to reduce net group borrowings of £5.25m and to finance expansion here and overseas.

Capital expenditure of £2.25m has been planned for this year alone. In the last two years Spirax-Sarco has spent nearly £7m on fixed assets and acquisitions.

Mr Anthony Brown, the chairman and managing director, said yesterday that the group intended to maintain last year's dividend on the increased capital in 1981, barring "unforeseen circumstances". The Spirax-Sarco's results for the year to December 31 were released yesterday and a 6.28p

gross total dividend was declared. The shares were unchanged at 182p.

Profits before tax in 1980 slipped 6.2 per cent to £6.21m on sales of £41.7m, up from £38.5m. Trading profits were 2.2 per cent higher at £7.38m but interest costs nearly doubled to £1.17m, reflecting the more than doubled year-end net borrowings of £5.25m.

CCA profits were £4.49m. More than half the group's turnover and £3.78m of the £7.38m trading profit were generated overseas. Earnings from abroad were 38 per cent higher than in 1979, and offset a near one-fifth drop in United Kingdom trading profits. The previous year's reorganization of the European side, which provides nearly 30 per cent of the group's business, produced satisfactory advance in those profits, Mr Brown said. The

international division, covering Africa, Asia and Australia, nearly doubled its contribution on a 45 per cent rise in over.

In Britain the reorganization of Drayton Controls, which began in November, is complete. The £2.5m cost has been offset by a 50 per cent increase in sales. After currency losses of £71 and a tax clawback of £84, Drayton has ceased its trial instrumentation and access control activities, with loss of 34 jobs. Order intake for continuing operations has dropped all this year. Though the currency remains depressed, European industry is also suffering from the recession. Brown is not overly gloomy about the future, however, and expects profits in 1981 by eliminating debt servicing.

## Delta Group gets £12m from S African sale

By Our Financial Staff

Delta Group, which has been reducing its dependence on metal manufacturing, announced yesterday that it is selling a 50 per cent stake in South African Macdem for around £12m.

Its stake will be split, with 45 per cent going to leading South African corporation Hagie, and the remaining 5 per cent to its United Kingdom partner McKee Brothers, which already owns 50 per cent.

But Delta is retaining a 50 per cent holding in a Macdem subsidiary R. Jackson Holdings, which Delta says is the largest South Africa stockist and distributor of non-ferrous metals and semi-fabricated aluminium and stainless steel.

The £12m sale price is made up of £20.8m in cash plus £0.5m of loans. It represents the approximate book value of the investment, and gives an exit price/earnings ratio of 8.6. The £12m will be used in the short term to reduce group borrowings, but will eventually

be used for investment in new growth areas.

Delta says that the sale is in line with its policy of reducing its dependence upon metal fabrication—it dropped the word metal from its name recently—and to give a better geographical balance to the businesses.

It recently sold a metal fabrication plant in Brazil and slimmed down its United Kingdom capacity. It has interests in Australia, the Middle East and the Far East and has increased its investment in the USA with the acquisition of three companies in precision engineering, forging and hot stamping.

A clearer picture of the changing business of Delta will be seen when the group produces its annual report in about four weeks' time. Its results for the year to the end of last December are due on April 22. In 1979 the group made £30.3m pre-tax. At the half way stage profits were down from £14m to £13.4m.

## Macfarlane fall to £1.2m as demand slump

By Our Financial Staff

The recession among dealers has meant a tough year for Macfarlane Group (Clman), the whisky packer.

Full-year figures for Glasgow-based group show pre-tax profits slipped from £1.66m to £1.2m on turnover of £15.9m to £16. In spite of the setback, board are proposing to increase the final dividend from 2.5p to 2.85p, making a 12 per cent increase. The market greeted the news of the increased payment with a 4p rise in the share price to 79p.

Mr Norman Macfarlane, chairman, blamed the set-back on reduced demand for all the group's products, but added that downturn had been particularly bad in the whisky sector, where sales fell 40 per cent of sales. As a result, the group had been forced to undertake some rationalization and cost cutting.

## Insurance shares higher on improved results

By Our Financial Staff

Insurance shares received a boost in the stock market with the publication of a crop of results which revealed profit increases ranging from 56 per cent to less than 1 per cent.

Guardian Royal Exchange increased pretax profits by 15 per cent to £87.1m last year, helped by improving profitability in United Kingdom fire and motor insurance business in the second half.

For the full year the group managed to reduce its total general underwriting deficit from £13.6m to £10.6m. United Kingdom business turned in a 57m profit after achieving break-even in the previous year.

German business produced a slightly lower underwriting loss of £5.2m while in Canada the deficit widened to £2.6m and in Australia to £1.8. But helped by the recovery purchase of Midwestern Fidelity the group managed to increase its United States underwriting profits from £70,000 to £2.3m.

The underwriting deficit was offset by a rise from £7m to £8.3m in long-term life profits while net investment income rose by almost £3m to £9.9m, and would have been £8.2m higher but for exchange rate movements, the group says.

The final dividend goes up by 12 per cent to 13.5p, gross,

lifting the total for the year by 75 per cent to 22.1p.

Sun Alliance's pretax profits rose by 41 per cent from £49.2m to £69.3m, which was better than most expectations and the shares jumped 42p to a new high of 816p.

General business underwriting losses fell from £26.4m to £18.4m while investment income improved by 16 per cent from £70.3m to £81.5m. Premium income on general business increased by 10 per cent. Excluding the effects of changes in exchange rates, the underlying growth was 16 per cent, and 20 per cent for investment income.

United Kingdom results benefited from the favourable weather conditions and personal and commercial property accounts were profitable. But experience in liability and motor accounts remained poor and underwriting losses were also incurred in engineering and reinsurance accounts.

In Europe, underwriting conditions continued to be difficult and, despite an improvement in The Netherlands, most territories produced increased losses. Although in the United States there were better results from the main property and casualty classes, Canada showed underwriting losses in all classes. In Australia the jump in underwriting loss was attributable to the workers' compensation.

Sun's premium income from lifting the total for the year by 75 per cent to 22.1p.



Mr John Collins, chairman of Guardian Royal Exchange.

general business improved from £546m to £599.2m with long-term business rising from £136.5m to £143.3m. The final dividend was lifted from 20.7p gross to 25.7p, making 47.14p, against 40p the previous year.

Legal and General Group raised its profits by 56 per cent with a reduction in underwriting loss on general business.

The underwriting loss was down from £20.5m to £15.5m, which was reduced in the United Kingdom, Australia and at the Victoria subsidiary, Mr Ron Peet, chief executive, said. "But these underwriting losses still remain at an unacceptable high level", he added.

In the United Kingdom loss dipped by a third to 55 and from £4.2m to £2.8m. Australia. The group's French subsidiary, which was usually a loss, produced a 2m loss, leaving the underwriting loss in the rest of the world virtually static at £3.6m.

The final dividend rose from 7.14p gross to 8.57p, making total of 12.85p, against 10.85p. The shares rose 4p to 246p.

Phoenix Assurance showed the smallest profits increase with a £100,000 improvement to £32.2m, as underwriting loss bucked the trend shown by the other groups and increased to £1.7m.

None the less the share price increased by 4p to 276p as the dividends rose 12 per cent to 21.3p gross.

The biggest change in the underwriting loss was in marine. United Kingdom companies with a rise from £400,000 to £3.2m. Canada showed a loss against £800,000 and the United States produced £5.5m profit, compared with £1.7m in 1979.

In the United Kingdom the fourth quarter showed a home fire and accident result that was marginally better than the previous years. The industrial fire account was profitable but household business made a loss, although it picked up towards the year end as a result of increases in more realistic sums were insured and because of the mild winter.



## Bank Base Rates

ABN Bank	12%
Barclays	12%
BCCI	12%
Consolidated Crds	12%
C. Hoare & Co.	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster	12%
ISB	12%
Williams and Glyn's	12%

## ANNUAL GENERAL MEETING

Annual General Meeting of the company will be held on Wednesday, April 29, 1981, at 1.30 p.m. in the main hall of the National Exhibition Centre, Birmingham. The agenda includes the presentation of the annual report and accounts for 1980, the election of directors and the appointment of auditors.

## M. J. H. Nightingale & Co. Limited

1980, 81	Company	Price	Chg	Div	P/E
75	Airsprung Group	67	—	6.7	10.0
50	Armitage & Rhodes	50	—	1.4	2.8
92	Bardon Hill	129	—	9.7	5.1
98	Deborah Services	56	—	5.5	5.7
25	Frank Horsell	106	—	6.4	6.0
10	Frederick Parker	48	—	1.7	3.5
72	George Blair	72	—	3.1	4.3
59	Jackson Group	105	—	6.9	6.5
103	James Burrough	118	—	7.9	6.7
24	Robert Jenkins	325	—	31.3	9.6
50	Scruttons "A"	50kd	—	5.3	10.6
24	Torday Limited	214	—	15.1	7.1
3	Twinkl Oak	10	—	—	—
69	Twinkl 15% ULS	72	—	15.0	20.8
25	Unilock Holdings	46	—	3.0	6.5
81	Walter Alexander	100	—	5.7	5.7
181	W. S. Yeates	260	—	13.1	5.0

## FINANCIAL NEWS

### PUC-Ben Williams merger called off

By Our Financial Staff

The reverse takeover by Leatherhead-based private group Practical Uniform Co. of quoted clothing maker Ben Williams & Co is off for the time being.

Williams's shares were suspended on December 23 at 32p pending an announcement which came in February. The announcement said that Williams was buying hotel and catering chainmaker P. Denny from PUC for £20,000 cash and 1.8m shares. That would have given PUC control of about 69.3 per cent of Williams.

But yesterday Williams announced that owing to difficulties in implementing the plans, the acquisition had been abandoned. Although no formal explanation has been made, it is understood that there have been difficulties over the financial arrangements of Denny.

However, the two groups say they will continue a close liaison and PUC will pay £50,000 for a 10-year, 10 per cent convertible loanstock. On conversion — at any time during the life of the loan — it will give PUC 34.57 per cent of the shares and 29.4 per cent of the votes.

### Increased costs and slack demand depress Molins

By Rosemary Unsworth

Molins, the cigarette machinery and paper and packaging group, said that reduced demand and increased costs pushed down profits last year by 19 per cent.

Pre-tax profits slipped from £11m to £8.5m in the 12 months to December 31, the second year running that the group's earnings have fallen. It said that 1981 profits would also be reduced.

Turnover rose from £11m to £12.2m and most of the improvement was from volume, rather than price, increases. But all the divisions were adversely affected by the strength of sterling as 80 per cent of Molins's turnover goes overseas.

Paper and packaging, where sales fell from £3.7m in 1979 to £3.2m, produced a trading loss of £1.3m after the previous year's £800,000 profit. The loss was mainly attributable to Masson Scott Engineering and includes £200,000 of reorganisation and redundancy costs.

In tobacco machinery the capital operation also cost £500,000 in redundancies as 200 employees left and the first half profits will also be depressed by further rationalization costs of around £700,000 at the plant which is now almost completely streamlined.

Tobacco machinery operations improved sales from £75.5m to £90.9m while trading profits showed a small increase from £11.7m to £12.1m. Most of the rise was the result of improved overseas profits, including better results from the United States and Brazil.

The group said that the tobacco industry was still growing, by about 3 per cent a year worldwide and its progress in the United States, where it is launching new products this year, is a reflection of that comparative strength.

Molins's gearing dipped from 18.7 per cent to 12.6 per cent last year as it paid off about £1.25m of long-term borrowings. But increased interest rates, and a rise in short-term loans pushed interest charges up from £1.5m to £1.9m.

The final dividend has been maintained at 8.4p gross, making the same total of 11.38p as the previous year. BAT Industries and Imperial Group each hold a 23.5 per cent stake in Molins. The shares strengthened 6p to a new high of 129p after the news.

### Robertson board to sell shares in market

After Monday's statement that Avanta group's offer for Robertson Foods had been declared unconditional as to acceptance, Robertson's directors are advising shareholders to accept the Avanta offer and sell their shares in the market. They feel it would not be appropriate for holders to remain as minority holders in Robertson. For their part the directors are selling their shares in the market.

### Hiltons Footwear Falls to £1m

As feared at the half-way stage, Leicester-based Hiltons Footwear suffered a drop in results in 1980-81. In the year to January 30, 1981, pretax profits fell to £1m, compared with £1.56m in the previous 12 months. Turnover expanded from £13.1m to £13.46m. On a CCA basis, the year's pretax profit is £425,000, against £1.12m. The total dividend, gross, is unchanged at 6.74p.

### Provincial Insurance profit nears £6m

Provincial Insurance reports a pretax profit for 1980 at £5.55m against £4.97m. Earnings a share rose from 38.24p to 47.01p. Shareholders are to receive a dividend of 35.7p gross against 32.6p.

The board considers that the profit is reasonable in view of the difficult market conditions experienced, particularly during the second half of the year.

### Scotros expands in France

Scotros, the Glasgow-based packaging, food and engineering group, has completed, through its French Company, Scotros Group Industrie, the purchase of a 3,500 square metre factory, together with 14,000 square metres of additional vacant land, at Mar-saureux, near Paris.

This investment, costing over £200,000, will provide extra production capacity which will enable Scotros' French companies to increase their sales of the bottling industry. In 1980 sales of specialized bottling machinery in Europe and North Africa exceeded £1.25m.

### Olivetti profits more than doubled

From John Earle  
Rome, April 1

Olivetti, Europe's leading manufacturer of electronic office equipment, has announced net profits for 1980 of 23,100m lire (£21.2m), more than double the 1979 figure of 10,700m lire (£9.9m). The dividend on ordinary and preferred shares is raised from 100 to 140 lire.

The results mark a further consolidation of recovery since Signor Carlo de Benedetti took over as chief executive three years ago. He has followed an

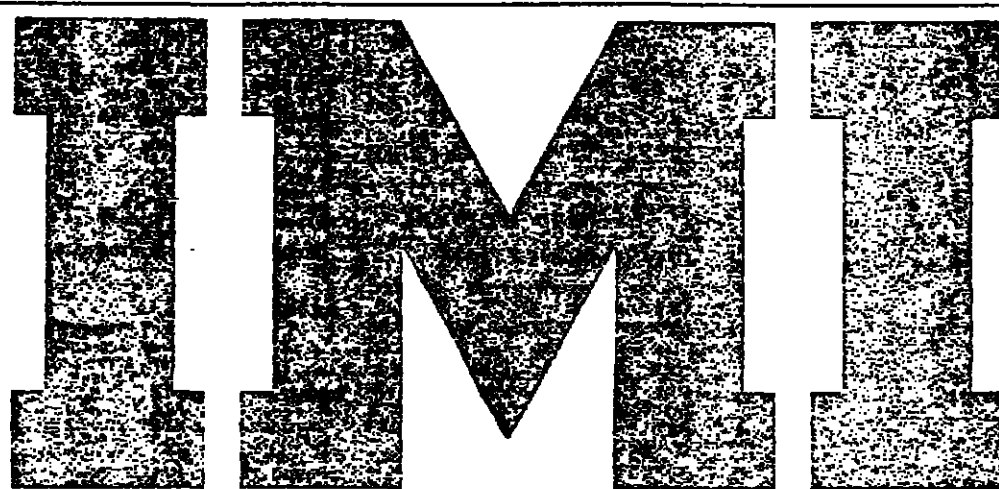
### International

aggressive policy which has brought a link with Saint Gobain Pont a Mousson of France, the takeover of Hermès of Switzerland, and the purchase into several North American electronic companies. The workforce has been trimmed to 3,500 from nearly 7,000 in 1975.

Gross earnings before tax and depreciation, have risen from 4,400m lire in 1975 to 60,400m lire in 1979 and 154,000m lire (£59.7m) in 1980.

Net indebtedness of the company, which is based at Ivrea in Piedmont, was 235,000m lire (£135.5m) at December 31, a fall of 110,000m lire from a year earlier.

The board announced that company turnover in 1980 was up 22.1 per cent, and group turnover up 17.7 per cent.



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## Our strength lies in the diversity of the products we make and the markets we serve

IMI's rights issue announced in March will raise £27.5 million

Sir Michael Clapham, Chairman, reporting a creditable performance in 1980, says:

"Perhaps when 1980 and 1981 are looked back on in future years, companies' performance will be judged not so much by their annual profit figures, important as they are, as by the use they made of the changed industrial environment to adapt themselves to survive and prosper in the harsher and more competitive UK and world market situation to come. I wrote last year that we must not be too impatient, and I fear that the rate of change of work practices, productivity and product ranges,

Capital expenditure by product areas	£million	1979	1980
Building products	3.2	4.3	4.2
Heat exchange	3.0	3.1	2.4
Fluid power	2.3	2.3	1.1
General engineering	4.9	6.3	5.8
Fasteners	2.7	1.1	2.2
Refined and wrought metals	4.5	8.2	8.6
	17.8		

necessary if manufacturing industry is to preserve profitability with a strong pound in a world of recession, has indeed turned out to be beyond our complete achievement. But we are making real and significant progress and are determined to maintain the momentum of our improvement."

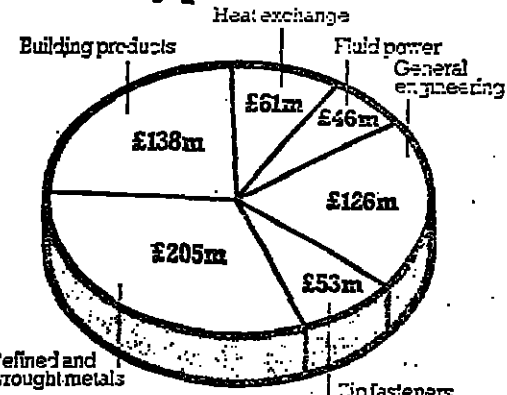
### Summary of Results

	1980 £'000	1979 £'000
Sales to external customers	628,582	611,977
Profit before taxation	28,240	34,536
Earnings applicable to shareholders	23,492	29,366
Total assets	284,506	281,499
Earnings per share (excluding extraordinary items)	10.8p	15.7p
Dividend per share	4.5p	4.4p

Sir Michael adds:

"Maintenance of our 1980 profit performance will depend on some recovery of volume in the second half of 1981, and it is difficult to predict with confidence that this will occur. Nevertheless, unless the present depression deepens even further or unforeseen circumstances arise, we propose to maintain in 1981 the rate of dividend recommended for 1980. I am convinced that IMI has

### Sales by product areas 1980



the resources of management, plant and products in diversified but inter-related business areas to prosper as UK industry recovers from its present difficult position."

The Annual Report has a comprehensive survey of IMI's activities. Send for a copy to the Secretary, IMI Limited, PO Box 216, Birmingham B6 7BA.

**IMI**

means more than metal

### Putting the sparkle in diamond prices

So depressed is the diamond market at the moment that last week the Central Selling Organisation was obliged, for the third successive month, sharply to cut the number of stones offered at its sight. This is partly because of the action some members of the trade now believe that the summer could see a sudden recovery in prices.

Diamond prices are notoriously difficult to trace. Since each stone is unique, and in the case of gem diamonds is greatly dependent upon the cutter's skill to bring out its full value, comparing like with like is almost impossible. Moreover, there is no market in the sense that one can trade copper or wheat at a quoted price.

That said, prices obviously do fluctuate and nobody would deny that business has been quite bad over the last six months, if not longer. The price of that ideal being—the Platonic diamond so to speak—known in the trade as a one carat, top-grade D-flawless, has slumped to around \$35,000 compared with up to twice as much a year ago. Prices of higher stones have fallen relatively more.

The importance of the D-flawless is that it is an investment vehicle. Its quality, availability, popular properties and price make the stone an indicator of sorts for one of the most active and price-sensitive sectors of the market. Record interest rates, the general recession, and the speculation which drove prices to unprecedented levels at the end of 1979 caused sales to collapse last year. That is why the CSO stepped in.

The CSO is almost as mysterious as the rest of the diamond business. It is not so much a company as a state of mind. The CSO is without legal status as a body—and eschews in these enlightened times its original sobriquet of the "syndicate".

It started life in the 1930s at the instigation of Sir Ernest Oppenheimer, father of Mr Harry Oppenheimer, the present chairman of De Beers. His idea was that the world's dis-

### Mining

mond producers, of which then as now De Beers was by far the most important, should join together in marketing stones during the great depression, rather than cut each other's throats.

Since then the CSO has been a decisive factor in the market. Although merchants have their horror stories about what happens to those who refuse the CSO's offers, there are times when its intervention to smooth the market is welcomed. So far as can be determined, this is one such occasion.

In retrospect, merchants also accept that the drastic action taken in 1978 to cool speculation was necessary, even if some of their confrères were driven to the wall.

The same time, of course, is to put a floor under prices rather than a ceiling above them. Trade sources indicate that during the first three months of this year Israeli cutters had their allocation of diamonds cut by 85 per cent, while cautious to Antwerp cutters were down by 65 per cent and those in New York by 60 per cent. This is much the most savage action the CSO has taken to support diamond prices for many years.

So why the optimism that prices may bounce up again? The first reason is that investment stones have reached sensible prices and that cutters, after running down their stocks, will soon have to start rebuilding them.

A second reason is lower and possibly falling interest rates. If the industrial recession does not deepen internationally, diamond prices are unlikely to decline further. The CSO managers are faced with the delicate task of putting just enough stones onto the market at the next sight to encourage reflation.

Michael Prest  
Mining Correspondent

### Business appointments

#### New chairman for Alcan

Mr I. Sachowsky has been nominated chairman of Alcan Aluminium (UK) to succeed Mr D. A. Pina, who will remain on the board.

Mr Hugh W. Laughland has succeeded Mr Peter Ryle as chairman of Rest Assured. Mr Laughland, who is also chairman of four other companies in the Tilling group, is the former chief executive of Scottish and Universal Investments (now a part of Lonrho) and a former managing director of Scottish Aviation.

Mr W. C. Irving has been made managing director of TI Markland.

Dr J. Stewart is now managing director of the Pigments Division of Ciba-Geigy Plastics and Additives.

Mr Jack Tatlock, director, Reprocessing Division of British Nuclear Fuels has taken over the new post of assistant managing director. In his new role Mr Tat-

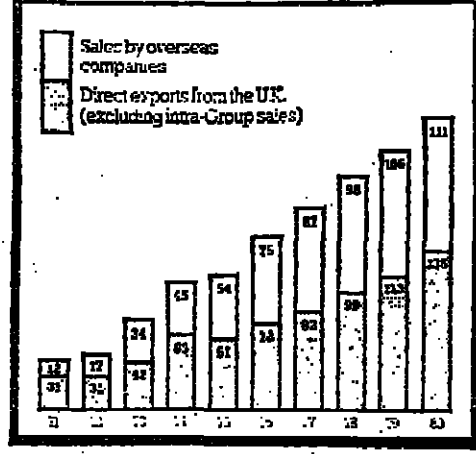
lock will retain overall responsibility for the Reprocessing Division. Mr Roy Pilling, at present general manager of the north west area, joins the board as director, operations, Reprocessing Division.

Mr Robert A. Chereck has been made general manager of the London Branch of First National Bank of Dallas.

Mr E. J. Worlidge has joined the boards of British-American Tobacco Company and British-American Cosmetics. Following on retirement of Mr T. E. Davies to Alcan, Mr Rickman will assume board responsibility for the legal and secretarial functions. Mr Rickman has also joined the board of British-American Tobacco Company.

Mr Olive Thornton, chief general manager of Abbe National Building Society, is the new chairman of the Metropolitan Association of Building Societies.

### Group external sales overseas



## PHOENIX ASSURANCE COMPANY LIMITED

### PRELIMINARY PROFIT STATEMENT

RESULTS  
The following are the preliminary results of the Phoenix group of companies for the year ended 31st December 1980, subject to audit, together with the audited results for the year 1979.

	1980 £m	1979 £m
<b>PREMIUM INCOME</b>		
General	375.2	355.9
Long-term	108.9	97.8
	<b>484.1</b>	<b>453.7</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Investment income	49.8	45.3
Underwriting results:		
General	-20.6	-14.1
Long-term	4.5	3.1
	<b>33.7</b>	<b>34.3</b>
Less expenses not charged to other accounts	1.5	2.2
<b>PROFIT BEFORE TAXATION</b>	<b>32.2</b>	<b>32.1</b>
Less: Taxation	12.1	11.4
Minority interests	3.3	2.3
<b>NET PROFIT</b>	<b>16.8</b>	<b>18.4</b>
Less: Dividends	9.0	8.0
Net profit retained	<b>7.8</b>	<b>10.4</b>
Earnings per share	<b>27.8p</b>	<b>30.4p</b>

Despite continuing adverse underwriting conditions in most major markets, with worsening trends in North America and Australia, pre-tax profits were maintained at £32.2 million (£32.1 million in 1979). The strength of sterling in relation to overseas currencies again distorted comparisons. For example, US dollar transactions are converted at the rate of £2.39 for the year 1980 compared with £2.22 for 1979. After adjustment for currency fluctuations general premium income was 13% higher (8% unadjusted) and investment income advanced by 18% (10% unadjusted).

**SOLVENCY MARGIN**  
At 31st December 1980 group net assets amounted to 65% (1979 55%) of general premium income.

**UNDERWRITING**  
The geographical distribution of the general business is as follows:

	Premiums written 1980 £m	1979 £m	Underwriting balance 1980 £m	1979 £m
United Kingdom and Ireland:				
Home fire and accident	147.0	122.6	-6.5	-6.7
Reinsurance subsidiaries	15.7	17.1	-0.8	-1.1
Marine - UK companies	18.5	20.5	-3.0	-0.4
Aviation - UK companies	3.6	2.4	0.4	0.4
	<b>184.8</b>	<b>162.6</b>	<b>-9.9</b>	<b>-7.8</b>
Europe	68.0	70.3	-2.1	-3.4
United States	62.8	63.5	-5.8	-1.7
Canada	17.5	19.0	-1.5	-0.8
Elsewhere overseas	42.1	39.5	-1.3	-0.4
	<b>375.2</b>	<b>355.9</b>	<b>-20.6</b>	<b>-14.1</b>

In the United Kingdom, more favourable experience in the fourth quarter contributed to a home fire & accident result marginally better than that for the previous year. The industrial fire account was profitable. Household business made a loss but improved towards the year end as a result of rating increases, more realistic sums insured and a mild winter. The cost of damage repairs and high personal injury awards contributed to a loss in motor. The marine result reflects the 1978 underwriting year now closed but includes provision to meet exceptionally heavy claims exposure in the underwriting year 1979 yet to be closed.

In the United States, despite inflation and increased frequency of claims, competitive pressures kept rates at inadequate levels. There is little indication of relief in 1981. The operating ratio deteriorated from 101.6 in 1979 to 107.9 in 1980. Similar features are in evidence in Canada and have resulted in heavy losses for the industry as a whole.

In Australia where trading conditions remain difficult a substantial loss was recorded. Results for Belgium and the Netherlands show a welcome improvement but in Spain, after a more encouraging trend in 1979, the outcome for 1980 was disappointing. Denmark is again earning good profits.

The life department has made an excellent contribution to the year's results. Growth has been maintained despite the general economic conditions and new sums assured exceeded £2,700 million (£2,000 million in 1979).

**DIVIDEND**  
The directors recommend a final dividend of 8.4p (1979 7.5p) per share at a cost of £5.1m (1979 £4.5m) to be paid on 1st July 1981 to members on the register at the close of business on 1st June 1981. With the interim dividend of 6.5p already paid this represents a 12% increase over the dividends declared for 1979.

**ANNUAL GENERAL MEETING**  
The annual general meeting will be held on Wednesday, 27th May 1981 at 12 noon. The Report to shareholders will be issued on 1st May.













—Managerial—Administrative—Secretarial—Personal Assistants—

Are you interested in Finance?  
—come and work for Money Which?  
magazine as an

EDITORIAL ASSISTANT/

VERIFIER

Money Which? magazine, published by Consumers' Association, advises its readers on how best to arrange their personal finances—covering such topics as mortgages, house insurance, life insurance, investment, income tax and social security benefits.

We are looking for a good typist (preferably with experience on word processors), with a degree in a numerate discipline. You must have a working knowledge of the subject areas covered in the magazine, together with a lively enquiring mind, a good eye for detail and the ability to work under pressure to meet deadlines.

Your job will be to assist the Editor in a secretarial role as well as keeping track of the magazine during the production process, liaising with printers, and proof-reading. Also, as a verifier, it will be your job to check facts in draft reports produced by Money Which? writers and to find out any additional information required.

Your salary will be £5,695 and we offer 5 weeks' holiday, pension and life assurance schemes and lunch vouchers. Please apply with full details of your career to date to: The Personnel Manager, Consumers' Association, 14 Buckingham Street, London WC2N 6DS.

# Which?

## EDITORIAL SECRETARY

The Financial Times Business Publishing has a vacancy for an experienced secretary to work for the editor of one of its magazines.

The successful applicant is likely to be aged 25+ with accurate shorthand/typing, administrative skills, a good standard of education and the ability to work under pressure. Previous experience in an editorial/publishing environment would be an asset. Salary £5,715 p.a. (increase imminent), 5 weeks' holiday after one year, 6.5p L.V.s per day.

If you are interested please ring Jennifer Davies on 405 6969 for an application form or write to:

THE PERSONNEL OFFICER,  
FINANCIAL TIMES BUSINESS PUBLISHING LTD.  
GREYSTOKE AVE.,  
FETTER LANE, EC4A 1ND.

## SECRETARY/PA

Japanese stock brokers have recently opened a London office and require an experienced secretary to work with its two representatives. Must be 30-50, have a good telephone manner and the ability to organise. Experience in shorthand, typing and Telex, also required. Hours 9.5-4, 4 weeks' holiday, salary £5,500+. Write with c.v. to:

Mr. R. Ichikawa,  
Yachiyo Securities Co. Ltd.,  
2 Copthall Avenue,  
London EC2R 7BD.

## ASSISTANT TO MANAGER

If you are seeking a job where your intelligence, initiative and ability will bring promotion and a bright future, work for the young manager of this fast growing company. A knowledge of import/export documentation is essential. No shorthand needed but good typing essential. Age 25-30. Occasional travel overseas. Ring Helen Clark.

SENIOR SECRETARIES  
173 New Bond Street W1Y 9PP  
01-493 0992 : 01-493 5507

## FURNISHED LETTINGS

Leading firm of Kensington estate agents secretary with organisational ability to handle management of high quality furnished lettings. Successful applicant will be efficient, conscientious and smart. Proficiency in typing and driving essential. Full training given. Remuneration will be commensurate with the responsibility demanded.

Contact: Shane Ellington  
CHESTERTONS  
81-83 7th  
(NO AGENCIES)

## FINE ART

Graduate Secretary International renowned art specialist requires a secretary to assist in the running of the business. You will be involved in client contact, trend analysis and telephone enquiries. The successful applicant will be a graduate with a degree in Fine Art, a keen eye for detail and a good knowledge of the art market. Salary £5,000, plus 11% commission.

Crone Corkill  
Recruitment Consultants

## ART GALLERY MAYFAIR

A mature and capable Secretary required to assist 2 Directors in a specialist field of the Fine Arts. Excellent salary and conditions with employment will be offered together with favourable hours. Please write:

Box No. 2798 F, The Times

## SECRETARY/PA SW15

Plus material development (£5,000) 7) salaries, 25% typing 20% admin 50% marketing, imp/exp. not very technical products. Personal involvement and responsibilities. 4 wks. 5 weeks' holiday.

Please Tel: 01-785 8551.

All recruitment advertisements on this page are open to both male and female applicants.

## SECRETARY/ PERSONAL ASSISTANT

### Advertising Management

An opportunity for someone with real experience at senior level to join the Chief Executive team of a major advertising and communications Group of Companies in Holborn.

A sound educational background, literacy, really first class audio and IBM Executive skills coupled with administrative ability and sensitivity in handling people are likely to be the prime assets of the successful candidate.

A competitive salary will be negotiated and the benefits package includes early membership of the Group's pension scheme. A generous non-contributory life assurance benefit also becomes available at the same time.

For application form, telephone D J Tierney on 01-242 7744.

## THE LONDON AND PROVINCIAL NURSING SERVICE

are looking for additional experienced RNs to join their busy team of nurse consultants in central and greater London involved with the recruitment and placement of nurses in the Health Service hospitals. The post offers interesting and rewarding work and will bring you into contact with a wide range of people. Applicants should be over 25 years with good organisational ability, patient and empathetic. Secretarial skills and able to drive an asset. Hours 9.5 Monday to Friday.

Further details please ring:  
01-928 4248

## SEC./P.A.

for Croydon based Co.

Opportunity for overseas travel

We have been exclusively retained to find a Secretary/PA for a large Croydon based company (spanning three days in Croydon and two days in London). The successful candidate will be working for a busy Managing Director. As well as being able to cope efficiently with day to day secretarial duties, you will be involved in a certain amount of overseas travel and social liaison. Ideally, you will be aged 25-40 and hold a current driving licence. Salary £5,500 and usual benefits associated with large company. Application in confidence to Mrs. D. Flower.

Reliance Service Bureau Ltd.,  
22 George Street,  
Croydon, Surrey

## £8,000

Are you the right hand person to assist the Managing Director of a large consumer products company whose role is marketing throughout Europe. Hard work, good skills plus commitment equals involvement and tremendous satisfaction.

Directors' Secretaries  
Tel: 01-629 9323

## BOOKKEEPER/ SECRETARY

£6,000  
This highly successful investment company in Victoria needs someone to work for the Finance Director. Your prime responsibility will be for accounts up to Trial Balance and you will also be called upon to do occasional secretarial work (shorthand/typing). Etc. etc. etc. Aged 25-40.

Please call 437 1128

Crone Corkill  
Recruitment Consultants

## BEST FOOT FORWARD

You have some experience and feel you are worth more than basic pay. You are looking for a job where you can be used to the full and be treated as an individual. Bring your own secretarial skills with you when you call.

Diane Miller for an interview  
58-60 Houndsditch, E.C.3.

Crone Corkill  
01-621 0566

## TOP DOG

As P.A. to the V.D. of a major international company you will be called on to do a wide range of secretarial and administrative work. You will be expected to be a 'top dog' in your field. Good salary and pension. Well paid and progressive excellent.

Telephone: Josephine Morrison  
58-60 Houndsditch, E.C.3.

Crone Corkill  
01-621 0566

## SECRETARY

Architects and Graphic Designers are looking for an intelligent Secretary to help run their business. Short-hand not vital, some book-keeping preferred, sense of humour essential. Salary negotiable.

Tel: Lynn Trickett  
01-935 8388

## SECRETARY

Small Japanese stockbroker company with City offices requires a mature secretary aged 30+ possessing last and accurate skills. Good remuneration and telephone manager is a bonus. For further details call: Lorraine Marshall on 403 6146, Kensington Palace.

£6,000 neg.

PA Secretary, 25-plus with good skills and experience in a professional office environment. Property companies. W4.

Phone: MILLER & HENSHAW  
437 7856  
Recruitment Consultants

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PA Secretary, 25-plus with good skills and experience in a professional office environment. Property companies. W4.

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437 7856  
Recruitment Consultants

All recruitment advertisements on this page are open to both male and female applicants.

## SECRETARY ENGINEERING INFORMATION

The Principal Engineering Information Officer of the Independent Broadcasting Authority provides engineering information on other technical aspects of broadcasting to a variety of external organisations, publishers, the technical press and the general public.

We are looking for a Secretary to assist him; particularly with a volume of typing, including technical manuscripts and telephone work.

It is a secretarial job with a difference, ideal for someone who is methodical who likes working on their own initiative, a little spare, and find challenge in manuscript typing.

Conditions of employment are attractive with a starting salary in the range of £3,170-£4,200. If you have good English language, quick, accurate typing and at least 3 years general office experience, we would like to hear from you.

For an application form or further information please telephone

01-584 7011 ext. 390

## RECRUITMENT CONSULTANT

### £15,000 p.a.

A well known secretarial agency is recruiting for a Consultant. Consultants at this company handle every aspect of the recruitment process from dealing with clients to advertising, interviewing and presentation of candidates. The job is varied, responsible, demanding and satisfying. You will need to be well organised, able to work on your own initiative, good at communication and well organised. Aged 25-35. All employees of this company know about this advertisement. If you are interested in a more challenging job, then telephone

Box 2964 F, The Times

## AN INTERESTING JOB IN SALES RECRUITMENT

Buckingham Appointments, the leading sales and marketing recruitment consultancy, based in Central London, specializing in the Engineering, and Pharmaceutical industries.

We now urgently need additional help with Client Liaison and administration. As we are in a highly sales orientated environment, the successful candidate will need to have an outgoing personality, already have experience in dealing with clients at a senior level on the telephone and be used to working with the minimum of supervision.

Salary will not be a limiting factor for the right candidate. This year's holiday arrangements honoured. Flexi hours considered by mutual arrangement.

If you are interested in a more challenging job, then telephone Tony Williams on 828 8222 until 8.30 p.m. daily.

## CAN YOU TYPE QUICKLY AND TELL GOOD JOES?

We're a small division of Young & Rubicam, a large advertising agency. We've just promoted the person who has the creative flair of a department's copy. Not only did she type brilliantly but she had good ideas. The pay is fantastic (well, reasonable) and so is the staff. Education and age mid 20s preferred. Please telephone Susan Bell on 221 5072.

Drake Personnel Consultants

Christina Lawson on 388 9711

## MAYFAIR PROPERTY COMPANY

£5,500 p.a.  
This friendly, successful company needs a Secretary with good secretarial skills and a pleasant personality to run their offices and ensure the business goes smoothly. The successful candidate will be a mature, well educated and age mid 20s preferred. Please telephone Susan Bell on 221 5072.

Drake Personnel Consultants

Christina Lawson on 388 9711

## RECEPTIONIST/ TELEPHONIST

Also required.  
Barnardette of Bond St.  
Recruitment Consultants  
15, York St. London W1A 2AB  
01-629 1284

## FLUENT FRENCH?

£6,000 p.a.—City  
We are a re-insurance brokers specializing in North African and Middle Eastern business, and we urgently need a smart, sophisticated shorthand secretary, aged 25+. Act as P.A. to the London Office Manager, and hold the fort while he travels abroad. Ring Mrs. P. Taylor, Group Personnel Manager, on 01-623 4821 ext. 302, to arrange an interview.

Crone Corkill  
01-621 0566

## STAR QUALITY

£5,500  
An Office Administrator in this exciting new environment will be made of wood and glue. If you are a 'star' in your field, we have a job for you. You will be responsible for the company's public relations and will be expected to be a 'star' in your field. Good salary and pension. Well paid and progressive excellent.

Telephone: Josephine Morrison  
58-60 Houndsditch, E.C.3.

Crone Corkill  
01-621 0566

## KNOW AUSTRALIA?

Our clients need an experienced permanent secretary to work in a small, friendly, and progressive business. Good shorthand and typing essential. Salary £5,000-£5,500. Fringe benefits.

Stella Fisher Bureau  
110 Strand, London W.C.2  
01-636 6644

## HARLEY STREET

Dynamic duo seek Wonderwoman for busy medical and surgical practice. Salary negotiable according to experience.

Tel: 01-431 1444

## AUDIO SECRETARY

To work for a young, dynamic, and progressive company. You will be responsible for the company's public relations and will be expected to be a 'star' in your field. Good salary and pension. Well paid and progressive excellent.

Telephone: Josephine Morrison  
58-60 Houndsditch, E.C.3.

Crone Corkill  
01-621 0566

## PRESTIGIOUS ART GALLERY

In a leading art gallery, we are looking for a Secretary to assist the Director. The successful candidate will be a mature, well educated and age mid 20s preferred. Please telephone Susan Bell on 221 5072.

Drake Personnel Consultants

## SHORTHAND SECRETARY

Required by partner and his company. A mature, well educated and age mid 20s preferred. Please telephone Susan Bell on 221 5072.

Drake Personnel Consultants

## Secretarial and Non-Secretarial Appointments

## LIBRARY SECRETARY

Wanted for this Professional Institution. Overlooks Regent's Park, near Great Portland Street Underground station. Library concerned with medical history, bibliography and portraiture. Knowledge of medical terminology not required. Varied duties involving some publications work. Short-hand less important than good typing. Hours 10.5-4, four weeks' holiday. Salary according to experience but around £4,200 on University scale. Free lunch. Award-winning building.

Write as soon as possible with c.v. and daytime telephone number to Office Manager, R.C.P., 11 St Andrews Place, London NW1 4LE.

## Can You Take Charge?

New well financed small City business with wide range of interests and strong European and Middle East associations. Requires a competent, cheerful and personable PA/Short-hand Secretary, capable of using initiative and with a first class command of Spanish, written and spoken—and if possible, shorthand. Opportunity of becoming part of the Executive Team. Salary negotiable according to experience. Interesting and stimulating job with plenty of client contact.

Please send CV to: City Liaison Bureau (International) Ltd, 4/6 Copthall Avenue, EC2, or telephone 01-628 9807/4202.

## MARIE CURIE MEMORIAL FOUNDATION

A vacancy exists in our small friendly Welfare Department for an

## Audio/Shorthand Secretary

with good skills, a liking for responsibility and a sympathetic approach to members of the public in need of advice. Current driving licence an advantage. Non-smoker preferred. Salary negotiable.

Please write for job description and application form to The Welfare Officer, MCMF, 138 Sloane Street, London SW1S 9AT.

## PERSONNEL SECRETARY

### VICTORIA

NRDC need an energetic, outgoing, tactful secretary aged 25+, to help with the secretarial duties of our busy Personnel Department.

We offer an office of your own, with varied duties including audio and copy typing, arranging meetings and interviews, administration and some telephone work.

Our competitive benefits package includes: a salary of £5,515.75, 25 days holiday and an interest free annual season ticket loan after only 6 months. Our office is in a new building at the Elephant and Castle in the heart of London.

If you would like to join us please write for an interview to: Chris Handley, Personnel Assistant, National Research Development Corporation, 66-2 Victoria Street, London SW1E 6SL. Tel: 01-628 5400.

## S.T.S. CONFERENCES

A Company of The Royal Institution of Chartered Secretaries requires a

## CONFERENCE SECRETARY

for varied and interesting secretarial duties. Must be a mature, well educated and age mid 20s preferred. Please telephone Susan Bell on 221 5072.

Drake Personnel Consultants

Christina Lawson on 388 9711

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